

# DAILY REPORT

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Vol VI No 147

31 July 1985

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DECLARATION SIGNED IN LIMA DENOUNCES ARMS RACE

PY301658 Paris AFP in Spanish 1546 GMT 30 Jul 85

[Text] Lima, 30 Jul (AFP) -- The Lima Declaration, which 7 presidents and the representatives of 13 countries who attended President Alan Garcia's inauguration signed in Lima last night, scores the growing nuclear and conventional arms race and reaffirms the importance of strengthening and broadening the democratic system. In the declaration, the presidents of Argentina, Bolivia, Colombia, Panama, the Dominican Republic, Uruguay, and Peru also state their conviction that Latin American solidarity will turn the region into a more valid international interlocutor and will help the great Latin American fatherland fulfill its historical destiny.

The 20 countries that signed the declaration voice their governments' decision to step up political contacts in order to coordinate positions regarding matters of common interest vis a vis third nations, groups of nations, and international organizations. To achieve this, they entrusted their respective foreign ministers with taking the necessary steps.

After reaffirming that integration is a historical imperative, the signatory countries promise their firm support for the streamlining of the processes of regional and sub-regional integration. They also score the growing arms race, because it is a threat to international peace and security and an additional obstacle on the path toward development.

After viewing as positive and appropriate a balanced reduction in military expenditures and the allotment of greater funds for the social and economic development of their countries, the signatories agree to encourage the implementation of additional measures capable of fostering trust throughout the region, especially among neighboring countries. The declaration states that conflicts must be resolved through peaceful means and negotiations, excluding the use of the threat to use force, interference in the domestic affairs of other states, and all coercive measures.

After stressing their firmest support for the Contadora Group, the signatory countries especially emphasize the need to draw up the appropriate act so as to strengthen peace, democracy, and development in the Central American nations.

The declaration also expresses support for Argentina's sovereignty over the Malvinas Islands and states concern over the continuing presence on those islands of an extra-regional power and over the installation of military bases because of the implications this has for Latin America's peace and security.

As for drug-trafficking, the Latin American countries point out the serious risks that this activity poses for the health of the peoples and the stability of societies, and called for international cooperation, which is indispensable for struggling against it.

In connection with the international economic crisis, the declaration stresses that although the Latin American countries did not cause it, they are being forced to bear most of its burden through the sustained decline in the terms of trade, the serious effects of growing protectionist measures levied by the industrialized countries, and the unbearable strain that servicing their foreign debt entails. They consider that the servicing of the foreign debt should be made by increasing income for exports so as not to hamper the reactivation of the regional development process.

The signatory countries also call for a reform of the international monetary and financial system in order to promote effective cooperation through the increase of financial resources available for development, the stability of the rates of exchange, and a standard approach to the international process of adjustment of the balance of trade.

In addition, the five members of the Andean Pact agreed to reactive this regional organization after analyzing the difficulties it has been experiencing. In order to achieve this, they agreed to call a meeting of the Andean Council within the next 60 days in order to make an evaluation and reach decisions, according to a separate communique.

CELAM PREDISSENT CRITICIZES CASTRO DEBT STATEMENT

PY300139 Buenos Aires LA NACION in Spanish 28 July 85 p 16

[Text] "Obviously Castro is responsible for his own statements," said Antonio Quarracino, president of the Latin American Episcopal Conference (CELAM) regarding the statement made by the Cuban president that he has "the support of the Catholic Church" not to pay the foreign debt.

"I do not know on what basis or how Castro made such a statement," said Quarracino to LA NACION during a telephone conversation from the CELAM headquarters in Bogota. He said: "I do not deny that the church, that is, its members may express support over some isolated political or economic measures. But to say bluntly that the church advocates the non-payment of the debt seems to me an exaggeration or an expression to find support for his viewpoint." The bishop added: "I am referring to Castro's viewpoint. It would be interesting to know Fidel Castro's thoughts if the debt were with the Soviet Union."

The bishop said that CELAM "has already clearly stated that the payment of the debt should not cause hunger and misery to people" and that "dialogue and agreement through negotiations are necessary." Monsignor Quarracino said that "it is not up to the church to say how the debt should be repaid under those conditions. That is up to the experts and governments to decide. Personally, I believe that to say that the debt should not be paid is so simplistic and illusory that it is childish. Certain types of emphatic attitudes can become attractive but tend to be disastrous. Therefore, in this case when the one who makes the proposals has vested interests in favor or against some of the parties then the proposal becomes clearly suspicious."

Asked if Castro intends to take over the leadership of a movement to break the economic and political system of the West during the 30 July meeting the bishop said: "Perhaps Fidel Castro hopes to lead a movement of this style but his Marxist ideology is so clear that I do not believe the Latin American governments will follow. It is well known that the Soviet Union is behind him. Come to think of it, who really knows how much Cuba owes and how it pays the Soviet Union? It would be interesting if Fidel Castro discloses this."

ALFONSIN RETURNS FROM LIMA, COMMENTS ON DEBT

PY301611 Buenos Aires TELAM in Spanish 1112 GMT 30 Jul 85

[Text] Buenos Aires, 30 Jul (TELAM) -- President Raul Alfonsin returned to Argentina last night after participating in the inauguration of the new Peruvian chief executive, Alan Garcia, and holding talks with U.S. Secretary of the Treasury James Baker and sundry Latin American politicians. Alfonsin, who arrived at the Palomar Air Base at 2250 last night, briefly told journalists that "we will make changes that seemed impossible just a short while ago: We will make a political approach to the foreign debt problem possible."

A few hours earlier in Lima, the Argentine president also spoke on the same subject. He asserted that during his meetings with the presidents and foreign ministers of countries that belong to the Cartagena Consensus "it was made clear that we are convinced of the need for a frank dialogue with the governments of creditor countries, in order to make them understand once and for all the political implications of this problem."

Regarding this call for dialogue and the talks he held in Lima with U.S. Secretary of the Treasury James Baker, Alfonsin explained last night that "voices are being heard, stronger all the time, even in the United States and Europe, about this problem, and it will not be difficult to hold a meeting of the Cartagena group with the EEC, probably before the end of this year."

Speaking about the inauguration of the Peruvian president, Alfonsin explained that "by participating in Alan Garcia's presidential inauguration we participated in an event highly significant for the continuity of Latin American democracy."

Alfonsin was welcomed by Juan Carlos Pugliese, president of the Chamber of Deputies; General Teodoro Waldner, chief of the joint chiefs of staff; Cesar Jaroslavsky, president of the Radical Civic Union bloc in the Chamber of Deputies; Admiral Ramon Arosa, chief of staff of the Navy; and other officials.

ENVOY TO HAVANA MEETING VIEWS DEBT ISSUE

PY301621 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2347 GMT 29 Jul 85

[Text] Buenos Aires, 29 Jul (NA) -- Former Central Bank President Enrique Garcia Vazquez today said that at the meeting that will begin in Havana on 30 July, Argentina will confirm its willingness to repay the debt it has legitimately contracted and will not sign any request for a moratorium, because this may have negative effects. Garcia Vazquez, who left for Cuba tonight, will represent the Argentine Government at the Latin American conference on the foreign debt sponsored by Fidel Castro. He said that "the conference will not vote on any subject and will not issue any resolutions" but that there will be "an interesting exchange of information and experience." The Argentine envoy, who will be on his first official mission since he resigned from the post of Central Bank president, said that "the Havana meeting is not contrary to the spirit of Cartagena."

Speaking at Ezeiza Airport, Garcia Vazquez said that "the Central Bank now has the necessary reserves, and considering that a significant currency inflow will soon become available because of the agreements reached with the creditor banks," it will be possible "to create a very positive situation." He added that "the payments on the foreign debt will be brought up to date, and all of us should take advantage of this opportunity to strengthen the Argentine currency."

Garcia Vazquez remarked that "the price freeze should be lifted as soon as possible," and said that he is optimistic about the period that will follow the lifting of the current restrictions. He said that "there is a new competition, because the markets are now operating more efficiently and because our currency is not suffering the daily devastating effects that weakened our unfortunate peso."

In statements to NOTICIAS ARGENTINAS, Garcia Vazquez said that at the Havana meeting "Argentina will endorse the position it has voiced at all the meetings held on the foreign debt and in the talks with the creditor banks, the international agencies, and the Paris Club." "That is to say, Argentina will repay the debt it has legitimately contracted and will ask for fresh money to prevent the debt repayment from hindering its economic development," he added.

In response to a question, Garcia Vazquez stressed that Argentina "will not sign" any request for a moratorium that may be proposed at the Havana meeting, "because this type of measure will only serve to raise interest rates and create an unfavorable atmosphere" for negotiating with the creditors. Even though he stressed the probable negative effects of a joint request for a moratorium, Garcia Vazquez pointed to the need "for rescheduling the repayment periods in the negotiations," so that the payment of "the interest does not become an overwhelming burden that would prevent economic development." "If the repayment of our obligations prevents our economic growth, the only logical result will be an increasing difficulty in repaying our debt," he remarked.

Garcia Vazquez said that Argentina has approached the foreign debt issue "from two different viewpoints." The first approach consists of "holding negotiations with the creditors" on a strictly financial basis. Under the second approach, Argentina is trying "to adopt a common political position to be shared by the countries confronting the same problem, so that it will be clearly understood that the political implications of the foreign debt issue should not be ignored."

Garcia Vazquez will leave tonight for Havana, Cuba. He will represent the Argentine Government at the continental meeting summoned by Fidel Castro to discuss the region's debt and its effects on the development of the Latin American countries. He is due to return on 4 August.

#### GOVERNMENT TO UNVEIL NEW ECONOMIC MEASURES

PY301507 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2130 GMT 25 Jul 85

[Text] Buenos Aires, 25 Jul (NA) -- The government will unveil new economic measures to reactivate the economy, create jobs, and earn foreign exchange. The measures will include oil investments, housing programs, industrial loans, and stimulus to exports.

A high-ranking official source has forecast that next week the National Development Bank will disclose a program of loans to industry for investment projects to the tune of \$1 billion from a loan granted by the IDB and the World Bank. The source also said that a program for the repatriation of capital will soon be announced, thus making possible the return to the country of \$1.5-\$2.5 billion for productive operations. This program is being studied by a commission headed by Enrique Garcia Vazquez, with the participation of Economy Ministry officials working in cooperation with the team headed by Senator Gomez Centurion, who is the author of a draft bill to the same effect.

Another foreign credit will make it possible to announce a housing program with a \$120-million price tag, in addition to efforts that will be made to attract internal savings through a system of advance savings, mortgage papers, and bonds.

The source revealed that there is also an offer of a \$300-million credit for housing, but that it requires a prior disbursement that the government is in no position to make.

It was also revealed that in the area of foreign trade an agreement has been signed with Israel to export a large volume of meat, and another with Brazil to regularly export oil by-products and a considerable volume of grain. The sources also revealed that thanks to "patient" efforts by the Foreign Ministry, important agreements have been concluded with Saudi Arabia, Algeria, and Morocco. The first agreement will permit Argentina to export more than \$1 billion worth of traditional and nontraditional products to Arab countries. Under the other two agreements, Algeria and Morocco will make their trade systems available for "triangular" operations with Europe, where Argentine products have faced increasing difficulties in recent years. As former European colonies, Algeria and Morocco have easy access to European markets, a facility that they will now use for the benefit of Argentine products.

The source also said that the state will soon divest itself of unprofitable properties, such as the 1,800 properties that came into the hands of the Central Bank following the liquidation of several banks. This privatization offensive requires the urgent approval of the mechanism proposed by Deputy Hugo Sochi to expedite the legal procedures involved in the transfer of state-owned property.

#### FORMER ARMY CHIEF CLAIMS 'UNEASE' IN MILITARY

PY291944 Buenos Aires BUENOS AIRES HERALD in English 29 Jul 85 p 5

[Excerpts] (NA-DYN) -- Tom Farrell, former chairman of the Inter-American Human Rights Commission of the Organization of American States, could be one of this week's last witnesses in the continuing trial of nine former junta members for excesses during the "dirty war" campaign against leftwing subversion. Farrell visited Argentina in September 1979 in order to investigate allegations of mass disappearances. At the end of the visit, Commission members prepared a report, which furnished evidence in almost 5,000 cases of missing people and blamed the government for most of them.

Meanwhile, in Bahia Blanca former Army Chief of Staff Jorge Arguindegui admitted there was "great unease" in the Armed Forces about the trial, which could be "political" in his opinion. Arguindegui also told the local daily LA NUEVA PROVINCIA that there should be some form of amnesty to enable the country to "look ahead." Similar wars against revolutionaries in Algeria and Vietnam were now forgotten, he argued.

He said that conditions were not suitable at present for a fresh outbreak of leftwing subversion, but added he did not know what would happen if the government's economic plan failed and unemployment soared. The retired cavalry general further said Argentina should not import any foreign doctrines, whether liberalism, Marxism, or social democracy. Finally, he said the former military regime should have handed over power to civilian hands in 1978 because order had been restored by then.

#### Under Secretary Denies Claim

PY291956 Buenos Aires Domestic Service in Spanish 1600 GMT 29 Jul 85

[Text] Interior Ministry Under Secretary Raul Galvan has stated that he is unaware that a climate of uneasiness prevails within the Armed Forces, as denounced by former Army Chief of Staff General Jorge Arguindegui, retired. He added that it is absolutely false that the Armed Forces institutions are being submitted to a trial, as stated also by Gen Arguindegui.

DEFENSE MINISTER VIEWS ALLEGED MILITARY PAMPHLETS

PY301242 La Paz Cadena Panamericana in Spanish 0000 GMT 30 Jul 85

[Text] Defense Minister General Elias Gutierrez has told Radio Panamericana that he is not paying any attention to some pamphlets that recently appeared and that reportedly originated in the Armed Forces. The Military High Command has already explained its position on the pamphlets. A military communique said that the pamphlets did not originate in the Armed Forces, pointing out that the signatories do not belong to them. The defense minister made the following statement to Radio Panamericana:

[Begin recording] The pamphlets and notes have no value. An investigation is being conducted. Unfortunately, as a result of the current political situation, efforts are being made to compromise the Armed Forces. I can assure you that the Armed Forces are conscientious and that they are going to continue supporting the democratic process until the new president is elected in accordance with the Constitution. [end recording]

The defense minister categorically stated that there are no disagreements within the Armed Forces.

[Begin recording] I believe that now, more than ever the Armed Forces are united. We are aware of our role according to our laws, and we aspire to fulfill that role. I believe that by fulfilling its role, the position of the Armed Forces will be enhanced and that this will benefit the country. [end recording]

Radio Panamericana then asked the defense minister the following question: Is it true that some members of the Armed Forces who were separated for various reasons will be reinstated? General Elias Gutierrez answered:

[Begin recording] [Elias Gutierrez] I believe that it is only natural that all the members of the Armed Forces who were separated for unjustified reasons, and who after an investigation deserve to be reinstated, will be reinstated. Those who do not deserve to be reinstated will remain separated from the Armed Forces, because we have to re-organize ourselves.

[Unidentified reporter] Has the military court made a decision in this regard? Can you mention any concrete cases?

[Elias Gutierrez] At this time there are no concrete cases. There are only a few chiefs and officers who were at the disposal of the court. Their cases are coming to an end. They have been acquitted and will be reinstated into the Armed Forces. They were not [words indistinct] of the Armed Forces, but on a special situation. [end recording]

High-ranking Armed Forces officers have pointed out that it is necessary to prevent political stagnation and that the relative majority obtained in the elections should be respected. This is what the minister said:

[Begin recording] The Armed Forces will fully comply with our laws. If the candidate who gets the most votes does not receive a majority, it will be up to Congress to elect the new president, and we will support that election. [end recording]

PRESIDENT SARNEY EXPLAINS ROLE OF ARMED FORCES

PY301730 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jul 85 p 4

[Exerpts] President Jose Sarney yesterday explained the role that the Armed Forces will play within the new Constitution. He stated that in addition to safeguarding the country's territorial integrity from the foreign enemies, they are also in charge of safeguarding domestic order, "because this is a constant in all republican constitutions and because it is an understanding that is upheld by developing nations."

Sarney said that he will not hesitate to oppose Army Minister Leonidas Pires Goncalves' statements in this regard, and asserted that as far as he is concerned, the constitutional provisions that are currently in force will be respected. He also disagreed with the theory that maintaining public order could prompt the military to adopt a protective attitude or even to interfere in the political process.

Regarding the resumption of diplomatic relations with Cuba, the president said that "the National Security Council is continuing to analyze this issue," and added that there is an appropriate moment for everything. Sarney said that Brazil has its point of view on how the foreign debt must be handled, and this point of view does not include the ideology of the East-West conflict. Regarding foreign policy, Sarney said that his most frequent interlocutors are Uruguayan President Julio Sanguinetti and Mexican President Miguel de la Madrid, with whom he speaks over the phone.

The president added: "I am very pleased with the support received from the church and the Armed Forces regarding the Agrarian reform project. It is a controversial issue and by all means could have stirred up reactions, but it must be clearly understood that this reform will be implemented in favor of the national interests and not against anyone in particular."

The president even defended the approval of a new and more concise constitution that should only contain the basic laws for the social and political organization of Brazil, so that it might remain in force for a longer time.

He insisted that he will continue to work to achieve a national pact that is not just social in nature, because this would give the impression that it only seeks new sacrifices from the workers. This pact should be a political, economic, and social pact involving all the political parties and most representative enterprises of Brazilian society.

SETUBAL QUESTIONS USSR'S NUCLEAR TEST SUSPENSION

PY302336 Paris AFP in Spanish 2205 GMT 30 Jul 85

[Text] Brasilia, 30 Jul (AFP) -- Brazilian Foreign Minister Olavo Setubal today expressed an implicit doubt regarding the suspension of nuclear tests proposed by the USSR, because there is a lack of knowledge regarding the effects of the explosions that are carried out for peaceful purposes. Setubal granted a press conference today, upon arriving at the Brasilia Air Force Base on his return from Lima, where he participated in the inaugural ceremonies of the new Peruvian president, Alan Garcia.

Mikhail Gorbachev, the secretary general of the USSR Communist Party, has announced a unilateral suspension of nuclear tests as of 6 August 1985 and has invited the United States to adopt a similar position. The United States has rejected the Soviet offer.

Setubal believes that the measure must be studied from a technical viewpoint. At this time, and without consulting experts, I cannot say whether that measure will contribute to the peaceful development of nuclear energy, Setubal added.

Brazil has not adhered to the Non-Proliferation of Nuclear Arms Treaty because it considers it to be discriminatory, but has signed the Tlatelolco Treaty that denuclearizes Latin America, although Brazil has not yet ratified it.

The foreign minister highlighted President Francois Mitterrand's reply to a letter that was addressed to all the chiefs of state of industrialized nations by Uruguayan Foreign Minister Enrique Iglesias in his role as secretary pro tempore of the Cartagena Consensus. In the letter Iglesias asks for the understanding of the industrialized nations regarding the economic problems of Latin America. The French president's answer was one of understanding, Setubal said. The other answers were conventional.

Setubal also indicated that Argentina, Brazil, Peru, and Uruguay have offered more cooperation to the Contadora Group and its efforts to achieve peace in Latin America.

#### SETUBAL TO PLAY 'IMPORTANT ROLE' IN DEBT TALKS

PY302006 Rio de Janeiro O GLOBO in Portuguese 23 Jul 85 p 24

[Text] Yesterday, one of President Jose Sarney's assistants reported that Brazilian Foreign Minister Olavo Setubal will play an important role in negotiating Brazil's foreign debt. The minister will have to discuss the political aspect of the negotiation with the governments of the creditor countries. The various diplomatic contacts Setubal has been establishing to explain the position of Brazil regarding its international commitments are part of the new strategy the country intends to adopt.

The spokesman reported that some of the aspects of the negotiation are not only financial and economical, but also political. Economically, Brazil can now offer goals which can be reached by controlling internal economic factors, such as public enterprise expenses and the inflation rate. If the developed countries adopt protectionist practices against Brazilian exports or suddenly raise the international interest rate, it will be more difficult for Brazil to obtain the intended results and diplomatic negotiations will gain greater importance.

According to the spokesman, the Brazilian Government should look for greater participation in the next meeting of the Cartagena Consensus, maybe even preside over it. Brazil intends to emphasize the political struggle for better payment conditions, independent of the agreements being negotiated with the IMF and the banks. In the presidential spokesman's opinion, the country would also benefit from any advantage the group might obtain.

#### GOVERNMENT TO URGE BACKING FOR CARTAGENA CONSENSUS

PY291642 Madrid EFE In Spanish 1342 GMT 29 Jul 85

[Text] Brasilia, 29 Jul (EFE) -- Brazilian Foreign Minister Olavo Setubal will propose in Lima today that the Consensus of Cartagena be strengthened, because it is the most appropriate forum to discuss the political aspects of Latin America's foreign debt. Olavo Setubal will take advantage of the meeting that he will hold in Lima today with representatives of member countries of the Cartagena Consensus in order to prove to them the significance that the strengthening of this group will have for all the countries of this continent.

The Brazilian Government feels that the Consensus of Cartagena could be an important means for increasing the flexibility of the IMF and the international creditors. From this point of view, Brazil believes that the Consensus of Cartagena is a point in between the orthodox economic adjustment formula proposed by the IMF and the ideological approach to the debt advocated by Cuban President Fidel Castro.

The Brazilian foreign minister will state at the meeting that his government does not believe in miraculous or radical solutions for the foreign debt problem because such an attitude would be the best way of putting an end once and for all to any possibility of holding positive talks for obtaining better conditions.

According to the Brazilian Government, the strengthening of the Cartagena Consensus will come as a result of its capacity to propose concrete solutions acceptable to the creditors. Brazil could also suggest a return to the claims set forth in the group's organic Charter, which the 12 member countries signed in June 1984 in Santo Domingo when it was formally established.

#### GENERAL VIEWS COMMANDER'S CONCERN ABOUT COMMUNISTS

PY310222 Sao Paulo Radio Bandeirantes in Portuguese 1555 GMT 30 Jul 85

[Text] The declaration of Superior War College [ESG] Commander Euclides Figueiredo against the legalization of the communist parties in no way affects the new Republic. The chief of the Military Household, Rubem Bayma Denys, said that the statement is, obviously, a personal opinion of the ESG commander.

General Rubem Bayma Denys has just said at Planalto Palace that the criticism against the legalization of the communist parties does not have the least bit of importance for the political stability of the country. The military cabinet chief declined to comment on the declaration of ESG Commander General Euclides Figueiredo, who had expressed disapproval of the legalization of the communist parties, and added that the government is not at all concerned about that question.

DEL VALLE RETURNS FROM LIMA, COMMENTS ON TRIP

PY3010204 Santiago Domestic Service in Spanish 2330 GMT 30 Jul 85

[Text] Foreign Minister Jaime del Valle plans to meet with Peruvian Foreign Minister Alan Wagner in the near future to discuss Latin American integration and the 1929 treaty. This announcement was made by Del Valle upon returning to the country after attending the presidential inauguration of Peruvian President Alan Garcia. Jaime del Valle also pointed out that Chile signed the Lima Declaration in an effort to achieve Latin American integration. He also labeled as very positive the talks with the new Peruvian president, Alan Garcia.

ARMY OFFICERS STUDY PINOCHET'S SUCCESSION

PY300142 Santiago Radio Chilena in Spanish 1730 GMT 29 Jul 85

[Text] If the current situation remains unchanged 3 years from now, the only viable alternative will be to support the reelection of General Pinochet as president of the Republic for another term that would end in 1997. According to the 29 July issue of the magazine APSI, this is one of the conclusions reached by officers of the Army General Staff.

The APSI report says that the Army Staff officers are frequently taking what they call action courses in which they discuss [words indistinct] various fronts of national life. In an article entitled The 1989 Succession and the Army's Plans, APSI reports: Concerned about the political crisis that has been affecting the country, the Army General Staff has ordered a survey in the form of a political questionnaire. According to APSI, the Army Staff officers reached three conclusions:

1. There is growing uneasiness within the Army Forces, especially among junior officers, over what has happened to the Argentine military officers.
2. Political relaxation has effected political changes but neither the divided opposition nor other political sectors have been prepared to assume congressional or governmental responsibilities.
3. There is no political figure who could attract all democratic forces; there are no new leaders of the stature of Jorge Alessandri or Eduardo Frei.

The APSI report adds that the Army General Staff officers have reached the conclusion that if the current situation remains unchanged 3 years from now, the only viable alternative will be to support the reelection of President Pinochet for another term that would end in 1997. APSI reported that there is no consensus within the Armed Forces over this issue since many officers are inclined to support the candidacy of another officer. They contend that if Pinochet's image is already worn out today, it will be much worse in 1989.

FPMR LEADERS HOLD 'INDIRECT' PRESS CONFERENCE

PY291312 Madrid EFE in Spanish 0400 GMT 27 Jul 85

[Text] Santiago, 26 Jul (EFE) — The Manuel Rodriguez Patriotic Front (FPMR), a Chilean armed group, today said in its first statement to the press that it has undertaken the task of promoting a national political and military uprising to oust the military regime of General Augusto Pinochet. The FPMR national leadership gave an indirect press conference to EFE, other international news agencies, and the official Chilean news agency ORBE. The FPMR leaders did not meet with newsmen, but answered their questions in writing.

In the main part of their written answers to EFE, which were received tonight at the local EFE office, the FPMR leaders said: Since Pinochet has given us no other alternative, we, like the heroes of our independence, have risen in arms and have begun to fight. They added that their struggle is designed to restore freedom and democracy.

Rejecting the government's allegations, the FPMR's national leaders categorically said: We are not the armed branch of the Communist Party or of any other party. Calling themselves the armed branch of the people, the FPMR leaders said that their group includes laymen, Christians, Marxists, ecologists, students, residents of poor districts, young officers, unemployed individuals, workers, professionals, businessmen, and so forth, among whom it has been gaining support.

Asked by EFE whether there is any alternative in Chile but violence, the FPMR leaders said: For us, there is but for the regime, there is not. The FPMR leaders added: We have already said that this regime alone is responsible for violence in Chile since its crimes, tortures, detentions, and repression have precluded all peaceful ways to achieve freedom. The FPMR reply added: We love peace and wish there had never been any violence in Chile. Every drop of blood shed hurts us deeply, but it hurts us more to see how our people are daily subjected to more abuses and poverty.

The FPMR believes that the current Chilean crisis can only be solved by ending Pinochet's dictatorship; by installing a broad-based, patriotic provisional government during a transition period in which urgent political and socioeconomic measures should be adopted, and by electing a constituent assembly that would enable the people to decide their future freely. It is obvious, the FPMR said, that Pinochet is not willing to give in. On the contrary, he is determined to use force, military force, to retain power. His position has thus eliminated any possibility of effecting changes through methods that traditionally had been employed in the country and has ultimately forced us to take the only remaining path. The FPMR added: We envision the end of the dictatorship as the culmination of a process involving a steadily growing combative and united mobilization of the masses during which the great military and political might of the people will be consolidated. The FPMR added that the final move will be a combination of combative uprisings in large urban centers and a prolonged general strike.

We are aware and convinced, the FPMR leaders said, that our actions will not topple the regime. We do not expect this to happen. These actions are part of a strategy of national uprising led by the popular masses. Our actions at this stage are designed to mobilize the masses, to enhance the levels of struggle, and to develop a great military and political front of the people. We keep these guidelines in mind in determining when to take action and for what purposes.

Asked whether they regard themselves as stronger or weaker than the Armed Forces, the FPMR leaders said: It would not be wise and would be contrary to world experience to make a comparison based on technical training and military equipment. These are important, although not decisive, factors. Proof of this was the defeat of the U.S. Army, which was equipped with modern and sophisticated equipment, at the hands of the Vietnamese people.

The FPMR leaders said that the FPMR was created on 14 December 1983 when it became evident that the dictatorship was not going to step down voluntarily. They added that their organization took the name of Manuel Rodriguez, a Chilean guerrilla leader who fought for Chilean independence in the last century. Manuel Rodriguez embodied the courage, the decision, and audacity of Chilean patriots. He also was a truly popular hero, who was loved and protected by the people for his sense of justice, intelligence, and shrewdness.

From the ideological standpoint, the FPMR leaders defined themselves as being Rodriguistas, that is, a new dignifying patriotic position that opposes imperialism and favors freedom, democracy, and Latin America. Therefore, they are in solidarity with the struggle of all their brother peoples against oppression.

#### 70 ARRESTED, 'MANY' INJURED IN SANTIAGO CLASHES

NC270629 Paris AFP in English 0610 GMT 27 Jul 85

[Text] Santiago, July 27 (AFP) -- Some 70 people were arrested and many others injured during antigovernment demonstrations and clashes with police in the Chilean capital last night. An AFP correspondent said the running battles with police during the "hunger march" called by the Chilean opposition began in a central Santiago square and ended up outside the presidential palace, as a police helicopter shone a spotlight onto demonstrators.

A statement from the military government blamed the outlawed Communist Party for the rioting, which police said lasted until 0100 GMT today. Riot police hosed protesters with water cannon and threw tear gas canisters into the crowd, which chanted "bread, justice and freedom". Stores in the square pulled down their shutters after demonstrators knocked out street lighting. Local radio stations were banned from broadcasting information on the riots.

The military statement charged that about 100 people in small groups had attacked public buildings and broken fences and traffic lights. It said the clashes apparently coincided with the anniversary of the storming of Moncada Barracks during the Cuban revolution. Three buses were attacked with fire bombs, which caused little damage, and bomb disposal experts defused three bombs, the statement said. The statement did not mention the injured, who included an AFP photographer beaten by police.

#### MOB RAIDS SANTIAGO STORES, SEIZES FOOD, MONEY

PY262107 Paris AFP in Spanish 2002 GMT 26 Jul 85

[Text] Santiago, 26 Jul (AFP) -- Dozens of men and women shouting antigovernment slogans raided several stores in a suburban neighborhood of Santiago last night, the police reported today. The mob seized foodstuffs and money and caused considerable property damage. The official report indicated that losses amount to some \$8,000. Eyewitnesses indicated that some of the raiders were armed and many of them had their faces covered. The authorities reported that approximately 30 suspects were arrested later on. Lately, pamphlets attributed to organizations opposed to President Augusto Pinochet's military regime announced that hunger strikes would be held in different places in Santiago to protest unemployment, inflation, and low salaries.

#### MINERS' LEADERS OCCUPY ILO OFFICES IN SANTIAGO

PY291919 Paris AFP in Spanish 1814 GMT 29 Jul 85

[Text] Santiago, 29 Jul (AFP) -- Three leaders of the powerful Chilean Copper Mineworkers Confederation today occupied the ILO offices in Santiago to demonstrate their support for union leader Rodolfo Seguel, union sources reported today. Seguel, who is the president of the copperworkers confederation and of the National Workers Command, was fired and banned from labor union activities for having led several protest movements against General Augusto Pinochet since 1983. ILO officials have confirmed that union leaders Eugenio Lopez Sergio Barriga and Hiridio Macias are in its offices in downtown Santiago. It has been reported that the leaders have asked the ILO to intercede before the Chilean Government in order to have Seguel reinstated as union leader, overturning the ruling of the Supreme Court that banned him.

BETANCUR ADDRESSES CONGRESS ON ECONOMIC POLICY

PA260342 Bogota EL SIGLO in Spanish 21 Jul 85 pp 2, 3

[Report on speech by President Belisario Betancur to the National Congress on 20 July; capitalized passage published in boldface]

[Text] President Belisario Betancur has defended the adjustment process he has implemented in the country and said that with discipline and rationalization Colombians will be able to face the future with more certainty.

In his message to Congress on the occasion of the opening of the regular period of sessions, President Betancur made a broad analysis of the economic policy and the state's role as supervisor of the Colombian economy. After recalling the constitutional principle that makes the state responsible for guidance in economic matters, the president said that the two most disturbing factors are the external imbalance and the fiscal deficit. He added that progress and development will depend largely on the elimination of these two factors.

Betancur noted that the crisis affecting the country which became noticeable last year did not begin abruptly; it was the result of an economic deterioration that began in 1980 and that was being covered up through foreign credits.

"It is easy to confirm that a disturbing effect that would later threaten to devour our international reserves had already emerged by the last quarter of 1980, and that during the next 2 years it was offset through foreign credits," Betancur added.

Betancur also referred to the public finances deficit stating that it has existed for years in a hidden form because "it surreptitiously nourished itself on international reserves since it was financed through the special exchange account [cuenta especial de cambios] which gave it new strength while the account produced significant interests."

However, he added, the situation radically changed in 1983 when easy foreign credit could no longer be obtained. The foreign deficit began to absorb the international reserves and the shortage of those reserves revealed the escalating fiscal deficit. Betancur also noted that in order to straighten out the situation, the government must make severe adjustments "for internal discipline," which will demand continuous work in order to gradually eliminate those factors that were progressively embedded.

"A process of discipline and a forceful reorganization of our economy was imperative because unless the disturbing factors were removed, not only would the perspectives for the overall development of the constitutional mandate be at stake but also our institutions," Betancur stressed.

The following are the main parts of the president's speech before the National Congress on economic policy areas:

**The Confluence of Imbalances**

The disturbing factors are the external sector and fiscal deficits. These sources of imbalance filtered through the cracks that revealed the weakness of our economy until they structurally affected their own stability.

Although the morbid process did not explode into a crisis until last year, this does not mean that it entered into the nation's economic system abruptly. On the contrary, when we observe our trade balance statistics measured through the balance of payments -- a more reliable and accurate instrument than the balance of international payments to follow the external sector's performance during a period of time -- it is easy to notice that by the last quarter of 1980 a disturbing effect had already emerged which would later threaten to devour our international reserves. However, we relied on our external credits during the next 2 years. For this reason, it was not detected until the credit that international banks had been freely granting was abruptly suspended, and the impact on our still voluminous foreign reserves was strongly felt.

A second disorder in our economy was equally voracious, although it was hidden: the fiscal deficit, which is, in many ways, the foreign deficit's twin brother. Just as the latter, it also did not appear suddenly; it grew under the protection of the foreign deficit and it was surreptitiously nourished on the international reserves since it was financed through the special exchange account, which gave it new strength while the account produced significant interests.

The situation changed in early 1983. The suspension of the easily obtained foreign credits to which international bankers had made us accustomed led us to a new, even more dangerous phase in the illness affecting our economy: The foreign deficit began to suck our international reserves and, as the latter deteriorated, our fiscal deficit also grew as a cancerous tumor through a pernicious system of macroeconomic connecting vessels that made it possible to compensate the drop in reserves with the primary issuance of money, which was almost totally used to pay the growing public expenses.

#### The Move Toward Discipline

This situation, which was doubly abnormal, was bound to have a dramatic ending: the depletion of reserves and the subsequent foreign exchange crisis with all of its sequels, unless precision surgery was performed!

However, it was virtually impossible to remove these disorders from the economic organism abruptly. It was also unlikely that these disorders would gradually fade out of the economic system in the same way in which they had gradually entered it without taking any action to help this process. Therefore, it became necessary to move toward discipline, to enact A DELIBERATE REORGANIZATION OF OUR ECONOMY BECAUSE IF THE DIS-JOINTING ELEMENTS WERE NOT REMOVED, NOT ONLY WOULD THE OVERALL FUTURE DEVELOPMENT OF THE CONSTITUTIONAL TERM BE JEOPARDIZED, BUT ALSO THE STABILITY OF INSTITUTIONS AS WELL.

All pressures from abroad to convince the government of what course its economic policy should follow were redundant and unnecessary in view of the evidence and the government's historical, constitutional responsibilities. It knew where its difficult duty lay.

This was not the first time the government was to embark on an effort to control the foreign and fiscal imbalances. The government's preoccupation with finding effective, lasting solutions to the fiscal problems -- which if the Supreme Court of Justice's decision on emergency legislation had not gotten in its way could have been mitigated much sooner -- became evident early in this administration along with the second declaration of an economic emergency and the development of the tax reform, with which the Congress cooperated.

Early in the administration the government also became certain that rigorous adjustments on the foreign front could not be postponed. Concrete measures were adopted to curb the immoderate appetite for luxury imports, the tempo of devaluations was sped up to make the prices of our export products more competitive, and exports were promoted by implementing a more flexible incentives system, the Cert [expansion unknown] at the same time that efforts were made to attract fruitful investments that would be in tune with our economic development.

#### Confronting Haphazardness

At this point, it is necessary to examine the government's ever-narrowing margins of maneuverability in order to understand the rationale and internal cohesiveness of the economic policy.

Beyond the political limitations that could have arisen -- and which in all truth have been minimal throughout this administration, since the dedication and patriotism shown by the Congress in its numerous analyses of difficult economic matters has been in evidence -- other external, economic limitations for which the country could hardly be blamed or on which it could not act, although it has had to shoulder a good portion of their burden, came into play.

For instance, I am referring to the wave of panic that followed the close to generalized Latin American foreign debt crisis which led to the closing of all foreign credits to the entire subcontinent by the international banks, which failed to see that our country was an exception both in its characteristics and in its uninterrupted tradition of responsibility and seriousness in view of its obligations. Moreover, it was unfair that when Colombia was in the most need and, despite the high interest rates, the international banks broke all reciprocity, although Colombia was making every effort to continue servicing its debt.

It is unnecessary to detail here the exhausting itinerary that the economic team had to complete beginning with the IMF joint assembly in late September 1984, when Colombia's chances to obtain new loans from the international banks were frankly slim, until the present, when after bitter battles of intelligence and persuasion those chances are good and unobstructed, concrete developments reaffirm our certainty in having successfully overcome one of the most sensitive and dangerous chapters of the country's economic history.

In hindsight, all looks rather neat and uncomplicated but few could have foreseen what was to happen to the Colombian economy beginning in February and March of 1983 when our international reserves began to plummet rapidly, border trade with our principal partners -- Venezuela and Ecuador -- was practically paralyzed, and the private foreign banks had not yet hardened their positions to extremes.

We are sure that long before its initial contacts with international financing institutions, the government was convinced of the need to make drastic adjustments to the foreign trade sector of the economy as a prerequisite for renewed and sustained growth.

Regarding the fiscal sector, the government was likewise convinced that it was imperative to modify the nation's public expense and current revenue trends. In this area also, opportunities for adjustments narrowed down because the reduced monetary reserves made it all the more difficult to continue an expansionist monetary policy. It was necessary to rationalize the economy and this was the government's priority task.

Above any immediate ambition for easy and apparent achievements in the short-term economic sector, it was evident that it was a constitutional duty to rationalize the economy. Oriented in this direction, the government efforts led to the macroeconomic plan for 1985-1986 -- entitled "Self-Discipline for Development" -- which was inspired by the same articles of the Constitution that consider social justice the main objective of economic development.

This is not the appropriate time to enumerate the many measures and actions that the government has implemented, many of which have been the result of fruitful legislative debates.

#### Political Democracy

It is usually said that ours is a presidential regime and that we have a representative democracy, rather than one of direct participation. This is akin to establishing a contrast between theory and reality. Similarly, some analysts maintain that, although democracy exists, it is of a restricted nature.

As is obvious, the list of reproofs to our judicial and political structures could be endless. These reproofs are contested categorically -- praising the perfection of our political system -- with the lack of judgment that sometimes characterizes our opinions and remarks. Very little would be gained in such a debate, in which hasty and cloudy statements are often made and the speakers easily pass from words to deeds. It is well known that physical violence is usually preceded by verbal aggressiveness.

The argument for an absolutist presidential regime would be valid if we consider the 1886 constitution alone. At that time, the historical need to make the central power confront the regional power determined the concentration of power in the executive branch. We must admit, however, that later, aberrant regimes put excessive authority in the hands of the central government.

#### The Supreme Value of Democracy

Nevertheless, if we consider our constitutional history carefully, we must admit that limitations of all sorts have been mandatory again and again in order to keep the division of power and maintain the corresponding freedoms. In this process, the 1910 constitutional amendment and, in general, the republican orientation that made the law prevail over the rulers' whims were decisive. It is well known that this heritage has been the basis for the so-called inviolability [santismo] that has been preserved for the good of the country, even during aberrant regimes. Today, as I have said, public and social control factors keep executive abuses at bay.

This is a trend that will continue to be strengthened for the good of the institutions. This is the subject of the bill to be discussed in the legislative chambers in second debate. The bill deals with parliamentary reform, greater independence for the judicial branch, and instruments for a democratic program with a more active participation by the congress. All these measures are aimed at achieving a better balance of power, more pluralism, and more freedom.

We have proposed many bills related to this vital aspect of our development. Perhaps this is where the Congress has demonstrated more imagination and greatest responsibility in the country. The various laws related to peace, political updating, and fiscal and administrative decentralization all fit together and form a part of a strategic program -- for strengthening democracy that will be remembered as the most important effort of a [words indistinct].

### Admirable Congress

The constitutional amendment on the election of mayors, which was already approved by the previous regular sessions of Congress in the first round of voting, will provide a new and broad means for the people to participate in the issues which are of interest to them and their communities, such as the municipalities. It will be necessary to judge these initiatives from the perspective of a doctrine which the Colombians deserve today, and not through the criteria of the past century.

In due time, I will present a more precise justification of this chapter, in which all of our most important issues merge: sovereignty, economic autonomy, and social justice — ideals of our republic which are difficult to reach without democracy.

### A Nation on the Move

Undoubtedly, the centennial of the Constitution and the 50th anniversary of the 1936 amendments will find us in an accelerated process of change. The conditions and awareness of Colombian society are changing in every aspect, not just to please a few, but because of the changes in our relations with the world and in our own internal relations.

To be brief about this, one must say the country was forced to face, in very short period of time, the effects of a world recession, the crisis of the hemisphere, and the threats of the Central American conflict. At the same time, political changes were going on inside Colombia — once the National Front was terminated by agreement — which were marked by the appearance of narcotics trafficking and new violence and authoritarianism.

But Colombia is above these problems; it has a background of republican tradition and a constitutional heritage. Therefore, it is necessary to preserve and renew democracy in these circumstances, making good use of the weaknesses, and not turning it into Utopia. [sentence as published]

The government would not have found guidance and rest, had it not been for the support of the parties, especially in Congress. There are times when the events place us in the predicament of either suffering through a change or directing it. This is particularly bad at times of great social change and at times when the judicial and political institutions lag behind the people's demands, which are sometimes not expressed clearly or represented well in an ideology or doctrine.

We are going through a difficult moment now, heading toward other national dimensions and complex international issues, which appear as a key to conquer new horizons of pluralism and autonomy in the world. The economic difficulties have become means for diversifying and balancing our productive structure so that coffee and minor exports will be joined by ferronickel, petroleum, and coal exports. The uncertainty about the National Front has gradually been cleared up with the strengthening of the balance of power and the participation of the people. The outrageous dimensions of violence and authoritarianism have forced us to deepen our search for peace, promoting the agreements which are necessary in order to return to the path of progress with justice.

### Leadership

The work of Congress has been invaluable and historical. There have been special and regular sessions in which Congress has been able to act as a counterweight for the administration and has been able to interpret the desire for change in our society, which called for rearranging our economy and strengthening peace through the generous amnesty and pardon measures, for modernizing our political institutions and parties which tend to become decentralized, and for improving the fiscal and administrative capabilities of all regions and municipalities.

Consequently, the Congress has fully expressed the people's will at a critical moment for our country. The Congress was also able to represent that will in all of its dimensions: geographical, political, intellectual, ideological, and technical. I have no doubts that the Congress' work will not be undermined; instead it will be encouraged during the upcoming elections.

Our Constitution has wisely stated that a presidential mandate cannot be extended to prevent the abuse which might be derived from a prolonged use of power, and with the aim to renew the public administration of the most important posts, thus provoking a rotation of leadership.

The same principle does not apply to public representation posts, which are renewable according to the voters mandate. In this legislative period, the last one in this administration, the Congress will have another opportunity to reassert its virtues in front of the people: The illustrious citizenry will undoubtedly scrutinize the achievements for peace and democracy which have been possible due to the chambers' first-rate participation and plans.

#### The Agreements' Goal

Throughout our constitutional history we have advocated political agreements whenever the circumstances demanded superior forms of understanding. These include, among others, the examples of republicanism, efforts for harmony and political leadership that were not fully appreciated, and, closer to our times, the National Front, whose subtle architecture and magnificence will perhaps be fully understood as time passes since time is more benevolent than we are with this government's errors and imperfections.

National opinion is currently inclined toward new types of consensus and agreements which will correspond to our republican traditions and the guidelines for changes we have been experiencing. It would not be possible, or advisable, to change certain agreements which were beneficial in their time but would now produce negative effects. We must learn the lesson of our past, but we must be careful not to mechanically repeat them.

It is evident that the first step toward a political agreement must include a joint pledge by the two historical, majority sectors; however, it is also understood that the great dialogue between our two parties must now be designed to convoke and invite new political forces, even independent sectors, to our common cause of a democratic renewal and to the consolidation of peace, which must also become part of a social pact.

This is what we have been spontaneously doing since 1968 when, through a constitutional amendment, we limited the National Front and that is what has been fulfilled by previous administrations in the search for peace.

It is necessary to attain, in a specific and categorical way, a national consensus which consecrates pluralism and the new forms of democratic coexistence, and a guarantee for durable peace. The government will continue to explore -- along with the parties -- the formal, substantial expressions of the new democracy that we are creating with the Congress' patriotic support.

#### A National Recognition

A virtue of republicanism at the turn of the century, which we have mentioned on various occasions was the creation of an Armed Forces on a professional basis as the strategic link for our national unity, harmony, and democracy, which represented the highest ideals of the generation which celebrated our centennial.

I would not like to conclude this preamble to my report to Congress without rendering homage at this national representation of our sovereignty to our Armed Forces, faithful to the heritage which has qualified them as a serene, intelligent power, and as a calm, disciplined corps at the service of our liberty, our institutions, and our rights: Our democracy has been entrusted to them to begin the changes that the nation demands.

Honor, dignity, self-sacrifice, and patriotism have been the trademark of our Armed Forces, fully expressed in that great general whom the people will bid farewell this year -- our unforgettable friend and comrade, Gustavo Matamoros D'Costa -- as well as the humblest officers, soldiers, and policemen who have offered their lives for a future of coexistence and harmony among the Colombian people. We will never forget them!

#### BETANCUR VIEWS POSSIBLE ELECTION OF GUERRILLAS

PA302239 Bogota Television Service in Spanish 1730 GMT 30 Jul 85

[Text] President Belisario Betancur returned to the Colombian capital early today after attending the inauguration of new Peruvian President Alan Garcia. Upon his arrival in Bogota, the chief of state reiterated that no more sacrifices will be imposed on the Colombian people and asserted that the possible arrival of guerrillas to the Congress is a matter for satisfaction, not alarm.

[Begin Betancur recording] I told my fellow countrymen that some sectors of Colombian public opinion are concerned because representatives of the guerrillas may suddenly, through the popular mandate, be given seats in the chamber or the Senate. I said that if this happens with the guerrilla organizations that opted very responsibly for the electoral path, it would mean that they have changed the dialectics of machineguns and rifles for persuasion. The country will gain from this if it happens. [end recording]

#### PILOTS APPROVE AGREEMENTS, SUSPEND STRIKE

PA261852 Bogota Television Service in Spanish 0000 GMT 26 Jul 85

[Excerpt] The Avianca pilot's assembly has approved the agreements reached last night with the airline, thus suspending the strike. Avianca planes will begin flying tonight. All terms of the agreement were ratified during today's meeting. The workers obtained wage increases and other fringe benefits. Here is a report on developments at the assembly of Avianca, SAM and Helicol pilots.

[Begin recording] [Unidentified reporter] At 1800, the 4-day-old pilots' strike against Avianca ended with the resumption of 10 flights, 3 of which were international flights. Through the strike, the pilots and copilots obtained a 20.47 percent wage increase between April 1985 to January 1986. After January 1986, they will receive another 20 percent increase for the 2d year of the convention agreement. In real terms, a 747 jumbo jet pilot, who is currently earning 174,756 pesos a month, from now on will earn 207,272 pesos, and starting next year, he will earn 240,783 pesos.

PRESIDENT GARCIA HOLDS PRESS CONFERENCE

## Comments on Foreign Debt

PY310253 Madrid EFE in Spanish 0117 GMT 31 Jul 85

[By Marisol Marin]

[Text] Lima, 30 Jul (EFE) -- President Alan Garcia today said that his country will stay within the IMF, but reiterated his decision to not negotiate the Peruvian foreign debt with the IMF, and to earmark only 10 percent of the income stemming from Peruvian exports to service the interest on its debt.

In a press conference with the foreign correspondents, Garcia said that this does not mean that Peru is willing to pay this 10 percent immediately but that pursuant to negotiations, it will pay what may become necessary to retain the credibility it still enjoys. Garcia said that Peru can in no way follow the recommendations of the Latin American Parliament or of the Cartagena Consensus to earmark 20 percent of the income stemming from its exports to service the interest on its debt. Garcia said that the position adopted by his government is midway between that of discontinuing payment and that of paying at all costs, even sacrificing the urgent needs of the people.

Asked about a message from Cuban President Fidel Castro promising Cuban solidarity with Peru if it fights poverty and imperialism, Garcia said he does not believe the message implied any warning since no one can give him lessons because he only reports to the Peruvian people.

Garcia lauded Henry Kissinger's proposal for a possible Marshall Plan for Latin America and noted that the important point is that Kissinger has accepted the fact that the debt is a political problem and not simply a technocratic problem, as has been contended until now. Garcia said he had outlined his proposal on the foreign debt to U.S. Treasury Secretary James Baker, who attended his inauguration on 28 July.

Regarding controls on monetary exchange in Peru, where banks will be closed today and tomorrow on orders from the Economy and Finance Ministry, Garcia said that in this emergency situation it is essential to restrict the use of foreign currency and to use it only for immediate, urgent needs. Asked about a possible flight of foreign currency if controls are imposed on monetary exchange, Garcia said the flight has already occurred without these controls.

Garcia said that no decision has yet been made regarding priorities for payment to creditors. He noted, however, that the guiding criterion is that Peru is naturally interested in those creditors from whom it may continue to obtain additional fresh credits.

Garcia reiterated the proposals he made in his inaugural address with regard to the need to reduce the arms stockpile in Latin America and to call a summit of Latin American presidents. Garcia said this would be a historic summit since those held in the past were called by U.S. presidents. Garcia proposed that the following issues be included on the agenda of the summit: the foreign debt, the defense of the value of export items, the search for mechanisms to implement compensatory trade among Latin American countries, and the reduction of arms expenditures.

## Comments on Castro's Message

PY310308 Paris AFP in Spanish 0156 GMT 31 Jul 85

[Text] Lima, 30 Jul (AFP) -- Today, President Alan Garcia commented on a message from his Cuban counterpart, Fidel Castro, asserting that I am responsible before the Peruvian people and not before any foreign governor for the scope and fulfillment of my promises. The new Peruvian president made this statement during a press conference with foreign journalists who requested his opinion on a message Castro addressed to him on Monday when he assumed the presidency. Garcia said that he doubted this was the meaning of the statements of President Fidel Castro, because he does not believe that anyone outside our country could demand such a thing from him.

Castro's message said that if you really decide to struggle in a serious, firm, and consistent manner against that Dantesque picture of social calamities and to free your fatherland, as you have promised to do publicly, from the domain and dependency of imperialism, the only responsible party for this tragedy, you would have Cuba's support.

Garcia said that in his inaugural speech he promised a revolutionary, popular, and nationalist change. Garcia added that he only has to account for these promises and their fulfillment before the Peruvian people and no one outside Peru can pass judgment on our actions.

## Cuts Mirage Purchase to 13

PY310340 Paris AFP in Spanish 2353 GMT 30 Jul 85

[Text] Lima, 30 Jul (AFP) -- President Alan Garcia today announced that Peru will cut in half the purchase of 26 Mirage-2000 fighter planes, that his country will continue to be a member of the IMF, and that it will not agree to the IMF acting as an intermediary to negotiate its foreign debt with its creditors. Garcia, a social democratic president who was inaugurated 2 days ago, made the announcement at a press conference he held before 200 members of the foreign press at Government Palace. Garcia said: We have not excluded the IMF, as some have claimed, but we will not accept conditions on our domestic policy to discuss the debt issue because this would mean relinquishing our sovereignty.

NEW ADMINISTRATION SUSPENDS FINANCIAL OPERATIONS

PY301428 Paris AFP in Spanish 1345 GMT 30 Jul 85

[Text] Lima, 30 Jul (AFP) -- Peruvian President Alan Garcia Perez' administration has ordered that operations be suspended in all banks, financial corporations, credit unions, and exchange houses throughout the country today and tomorrow. A communique from the Ministry of Economy and Finance states that the citizens are hereby notified that in order to make it possible to implement the economic program in an orderly fashion, it has been ordered that on 30 and 31 July all banks, financial corporations, credit unions, and registered exchange houses not open to the public or engage in any financial operations.

Although it has not been reported whether the new administration will implement other parallel or complementary measures, official circles have indicated that tomorrow the Economy Ministry, of which Prime Minister Luis Alva is in charge, will release a communique that will provide a broad explanation of these measures and the ones that will follow.

According to analysts, the measures have been taken to stop the flight of U.S. dollars, which would have severely hampered the initial period of government. The Economy Ministry released the communique around midnight.

ALFONSIN, ARDITO, SANGUINETTI, ON GARCIA SPEECH

PY301405 Madrid EFE in Spanish 0148 GMT 30 Jul 85

[Text] Lima, 29 Jul (EFE) -- The presidents of Panama, Argentina, and Uruguay were very cautious today when commenting on the decision of their Peruvian colleague, Alan Garcia, to negotiate the foreign debt directly with the creditors, thus leaving aside the IMF. Just before leaving Peru, Argentine President Raul Alfonsin said that it was a question of the tactical problems of each country. Uruguayan President Julio Maria Sanguinetti, also just before departing, said that the proposal made by Garcia was valid and that he agreed that each country has its own guidelines for managing the foreign debt. During a press conference, Panamanian President Nicolas Ardito Barletta indicated that Peru's position is a very respectable one and that each country must solve the problem of the foreign debt in accordance with its own situation.

Alan Garcia also announced that during the next 12 months his country will use only 10 percent of its export income to service the foreign debt interests which in 1985 amount to \$3.7 billion. This was the announcement that had the greatest impact on the foreign delegations participating in the inaugural ceremonies. Today in brief statements, Garcia again stressed that his commitment is to the Peruvian people, who gave him their support through their votes.

Regarding the measure to reduce military expenditures, Alfonsin stated that he agreed, indicating that Argentina had already reduced them. He stressed that nations that have not yet solved the vital problem of hunger cannot get involved in an arms race.

The Uruguayan president stated the same in more or less similar terms, stressing his people's strong desire for peace.

The three presidents highlighted the integrationist spirit of the new Peruvian president, and on this point the Panamanian president said that his country would be very honored to host a meeting of Latin American presidents. Ardito Barletta made it clear, however, that the meeting proposed by Garcia yesterday depends on the will of each country and that, in any case, it will have to be carefully prepared so that the results justify it.

FRG'S WARNKE MEETS WITH AREA OFFICIALS

LD281016 Hamburg DPA in German 0254 GMT 28 Jul 85

[Excerpt] Lima, 28 Jul (DPA) -- West German Minister for Economic Cooperation Juergen Warnke on Saturday met with the vice president of El Salvador, Carlos Castillo Claramount, and the foreign minister of Costa Rica, Carlos Jose Gutierrez, at the start of his 5-day visit to Peru. Warnke said his separate talks involved discussion of the critical situation in Central America. The minister for development aid, who has just been visiting Brazil, is representing the Federal Government at the inauguration of the elected Peruvian President Alan Garcia today.

MISSILES 'MAIN ATTRACTION' OF MILITARY PARADE

PY301414 Paris AFP in Spanish 2038 GMT 29 Jul 85

[Text] Lima, 29 Jul (AFP) -- The Exocet and Otomat missiles were the main attraction of the military parade staged on Brazil Avenue in this capital today to celebrate the 16th anniversary of Peruvian independence.

The Peruvian Armed Forces displayed their military power during a 3-hour parade that marched past the official rostrum where President Alan Garcia was accompanied by his guests Colombian President Belisario Betancur, Panamanian President Nicolas Ardito Barletta, Uruguayan President Julio Maria Sanguinetti, and officials from some 60 countries who have come to Peru to attend the presidential inauguration ceremony. Among the guests of honor were Brazilian Vice President and President of the Chamber of Deputies Ulysses Guimaraes and former Venezuelan President Carlos Andres Perez. Argentine President Raul Alfonsin and Bolivian President Hernan Siles Zuazo did not attend the parade.

A total of eight armed and police force components paraded past the official rostrum. In addition to the missiles, amphibious and armored cars, tanks, helicopters, and modern radar equipment were also displayed. Most of the materiel displayed was either French, Soviet, Israeli, or FRG-made.

The parade was carried out under strict security measures against possible terrorist actions. The police had trouble controlling the large numbers of people massed along more than 30 blocks of Brazil Avenue.

#### Soviet-Made Weapons Displayed

PY302208 Lima Radio del Pacifico in Spanish 1700 GMT 30 Jul 85

[Text] For the first time, the Peruvian Army has displayed powerful antiaircraft weapons. Yesterday, the Peruvian Army displayed to the people of Lima powerful Shilka anti-aircraft weapons, long-range weapons capable of intercepting the fastest planes and even bombers. Passing in front of the official stand and President Alan Garcia Perez, all ministers of state, and several invited presidents, the Shilka rotated their radar. The Shilka radar can detect any target in the air. These frightening Soviet-made weapons have been deployed to secret strategic areas, namely border zones, and now have been reportedly displayed upon the request of President Garcia Perez himself. These weapons have four 23-mm cannons that can fire 3,200 rounds per minute. They have a computerized firing system which is interconnected with long-range radar that continuously feeds data on the location of the target.

#### MRTA INTERRUPTS TV TRANSMISSION OF PARADE

PY300149 Paris AFP in Spanish 2103 GMT 29 Jul 85

[Text] Lima, 29 Jul (AFP) -- The self-styled Tupac Amaru Revolutionary Movement [MRTA] today interrupted the television transmission of the military parade in Lima with a message demanding amnesty for the imprisoned guerrillas and that repression be stopped. This information was confirmed this afternoon by a police official.

The message, which was broadcast over a clandestine radio that identified itself as 4 November, spokesman of the MRTA, was clearly heard in the Lima districts of Pueblo Libre, Brena, Miraflores, San Isidro and Surquillo in the southern sector. The transmission was much shorter than yesterday's interruption when the MRTA interfered with the signals of a television channel when outgoing President Fernando Belaunde was reviewing his 5 years in government before Congress, according to the police official.

This new interruption occurred at approximately 1140, while President Alan Garcia and his Colombian, Panamanian, and Uruguayan colleagues were reviewing the military parade from the official stand located on Brasilia Avenue in the district of Pueblo Libre.

SANGUINETTI ON RELATIONS WITH CUBA, IMF

PY300325 Montevideo Radio Carve in Spanish 0000 GMT 30 Jul 85

[Excerpt] In a press conference held in Lima before departing for Quito, Uruguayan President Julio Maria Sanguinetti answered questions on several topics, including Uruguayan relations with the IMF and Cuba. Regarding relations with Cuba, Sanguinetti said:

[Begin recording] Cuban Vice Minister of Foreign Relations Ricardo Alarcon visited Montevideo a few days ago. At that time I met with him and we discussed political issues in general. My government seeks to reestablish relations with Cuba in the near future and I believe the Cuban Government also shares this desire. [passage indistinct] Regarding the second part of your question, we believe it is all right for the Cuban Government, like other governments and [words indistinct], to debate the foreign debt, which is a subject of special interest for Latin America. I believe this is the right time to deal with this subject [words indistinct] and with extreme maturity. [end recording]

President Sanguinetti also commented on a possible Latin American summit:

[Begin recording] We have always been in favor of meetings that would contribute to unite Latin America around a common policy. Obviously, we first have to determine a time and opportunity, and we should go to the meeting well prepared. We must be well aware that we should not use a presidential summit improperly, since we would thus be wasting a political tool. Thus, as President Garcia emphasized today, a Latin American summit is a momentous event that should be well prepared so that it may not become just another meeting. The worst that could happen is for us to hold an unproductive summit. Latin American presidents should not meet just for the sake of getting together. Although a summit could be interesting and attractive, it would not be positive if it does not yield political results. [end recording]

Sanguinetti also answered a question on Uruguayan relations with the IMF:

[Begin recording] The Latin American governments in general are against the IMF's rigid guidelines. The fact that some governments have accepted the IMF guidelines while others have rejected them shows that we have different opinions. For our part, we have formulated our own economic program. We ourselves outlined it and proposed it to the nation and only then did we decide to discuss it with the IMF and our talks are still under way. [passage indistinct] [end recording]

Opposes Cuban Debt Proposal

PY300259 Montevideo Radio Carve in Spanish 0000 GMT 30 Jul 85

[Text] Uruguayan President Julio Maria Sanguinetti does not support the Cuban Government's position of discontinuing payment of the Latin American foreign debt because this would provoke much worse problems. Sanguinetti said that a sound, responsible approach should be taken regarding the foreign debt. [passage indistinct]

In remarks to the Colombian radio network CARACOL, Sanguinetti said that financial and commercial isolation could (?stimulate) inflation, which is much worse than the foreign debt itself.

DE LA MADRID ORDERS ADHERENCE TO ECONOMIC MEASURES

FL302116 Mexico City NOTIMEX in Spanish 1445 GMT 30 Jul 85

[Text] Mexico City, 30 Jul (NOTIMEX) -- Mexican President Miguel de la Madrid has given strict orders to his collaborators to follow closely and carefully the implementation of the recently adopted economic measures. At a cabinet meeting held at the official residence of Los Pinos, the head of state instructed public sector officials to immediately carry out the dispositions announced by the secretaries of finance, programming, and commerce last Wednesday.

Although the cabinet had already studied the decisions, De La Madrid held a meeting with all his collaborators to study them in depth. The cabinet had learned about the main points through the president and proper channels. At this meeting, the Mexican head of state indicated that each department soon will inform the public on the progress made with the implementation of the measures which are designed to find solutions to the country's economic situation. The objective of this new disposition is to inform the public about the details of the progress made and the degree to which the economic goals are achieved.

BANK OF MEXICO DIRECTOR VIEWS MONETARY RESERVES

FL291810 Mexico City NOTIMEX in Spanish 0000 GMT 29 Jul 85

[Excerpts] Mexico City, 28 Jul (NOTIMEX) -- Bank of Mexico Director Miguel Macera Aguayo said that during the first 6 months of 1985 the amortization of old credits granted to Mexico exceeded payments of new credits of \$155 million. Mancera Aguayo said that the Bank of Mexico international reserves are modest and, with the measures announced in the past few days by the Federal Government, it is expected that the recovery process of the international monetary reserves will be achieved. The bank director stressed that Mexico has sufficient international money reserves to pay imports that are not only essential, but required for plant industry to function.

Nevertheless, he said it is desirable to have more currency to import machinery and supplies for industry, a situation which he indicated also requires expt efforts since the availability of foreign credit is not great. The official said the substitution of tariffs for export permits and the 20 percent devaluation of the peso in relation to the dollar will make the exporters have sufficient supplies, which at the same time will avoid high prices on their final products. Upon reiterating that 80 percent of Mexico's international economic transactions are carried out with controlled exchange, Mancera Aguayo said the 20 percent devaluation in such an exchange is not structured to conform to the traditional cuts, but it will be a uniform and regulated slide.

In reference to the high cost of credit interest rates, Mancera Aguayo was in favor of real rates but added that according to how inflation is controlled, these would have to be reduced.

FOREIGN TRADE BANK PROGRAM TO SUPPORT INDUSTRY

FL261218 Mexico City NOTIMEX in Spanish 0130 GMT 25 Jul 85

[All figures as received]

[Text] Guadalajara, Mexico, 24 Jul (NOTIMEX) -- Alfredo Phillips, director of the National Bank of Foreign Trade, has announced a financial support program for the industrial sector taling 1.28 trillion pesos.

The official stressed the importance of export activity to arrest the crisis and encouraged industrialists to take advantage of the resources available to them to finance their sales abroad. He said that between January and May of this year exports diminished by 10 percent compared to the same period in 1984, by dropping from \$10,438,700,000 to \$9,389,700,000. Imports grew from 39.8 percent, from \$4,019,300,000 to \$5,619,600,000. The public sector continued to be the major exporter inasmuch as its sales amounted to 73.4 percent during that time, that is 1.2 percent greater than was recorded during the same period the previous year, said Phillips.

Regarding petroleum exports, he said that \$6,461,000,000 were added from January to May, a figure lower by 8.2 percent to that obtained during the same period the previous year. Phillips said the income generated by the sector's non-petroleum exports during the first 5 months of 1985 had recorded a decrease of \$488,700 compared to the level reached during the same period in 1984. He added that exports of primary products in agriculture and forestry diminished by \$115,200.

#### JOINT COMMERCE GROUP NOTES TRADE INCREASE WITH FRG

FL301721 Mexico City NOTIMEX in Spanish 1808 GMT 29 Jul 85

[Text] Mexico City, Jul 29 (NOTIMEX) -- Mexico's trade with the FRG is achieving the country's desired diversity, it also has a growth tendency, the Mexican-German Chamber of Commerce and Industry has announced. Nevertheless, a greater price competitiveness is needed to reduce the \$380 million deficit in the 1984 trade balance, indicated the private organ and added that until the end of 1984, Mexican sales to that market had amounted to \$258.8 million, while FRG sales to Mexico amounted to \$638.5 million. It also reported that German enterprises invested around 485 marks, about \$160 million, which represents a 92.8 percent increase compared to last year. Including the above, FRG investments in Mexico amount to 963 million marks making it the second most important investor in the country after the United States.

#### 4 PERSONS ASSOCIATED WITH DURANGO GOVERNOR SLAIN

PA300243 Mexico City XHDF Television Network in Spanish 1955 GMT 29 Jul 85

[Text] The Durango Police Chief, Jose Duran Valenzuela, has confirmed that four persons directly associated with the Durango Governor, Armando Castillo Franco, have been murdered. The four persons are: Fidel Arteaga Valdes, the governor's security chief; Arteaga's son, Fidel Jr.; Magdalena Moreno de Hernandez, wife of the president of a court of justice; and a driver whose name was not disclosed. All four persons were murdered early this morning at Arteaga Valdes' home when a group of unidentified persons travelling in a station wagon with no lights or license plate opened fire at the four persons, killing them on the spot.

#### MORELOS-1 SATELLITE OPERATIONAL 'IN FEW DAYS'

PA280430 Mexico City XHDF Television Network in Spanish 0100 GMT 27 Jul 85

[Text] The Communications and Transport Secretariat has reported that 24.5 percent of the Morelos-1 satellite's capacity will be in use by the end of this year. The satellite will mainly offer telephone, data transmission, and television services. To a lesser degree, the satellite will be utilized for telex, facsimile, telefacsimile, and telephoto services in addition to others. The Morelos-1 will be operational in a few days after it passes tests conducted by specialists and technicians of the Walter C. Buchanan Center. The secretariat added that the satellite will not replace the microwave system and that the latter will be used to complement communications throughout the country.

ARDITO BARLETTA CONFIRMS GARCIA'S SUMMIT REQUEST

PA302345 Panama City Circuito RPC Television in Spanish 1730 GMT 30 Jul 85

[Text] Panamanian President Nicolas Ardito Barletta arrived last night in Panama City after attending the inauguration of Peruvian President Alan Garcia. Ardito Barletta told the local newsmen that Alan Garcia asked him to offer Panama as the site for a summit to strengthen Latin American democracy, provided the other Latin American leaders are willing to adopt a joint decision to this effect. The Panamanian president arrived at the Panamanian Air Force terminal and was received by Vice Presidents Eric Arturo Delvalle and Roderick Esquivel, members of his cabinet, and government officials.

Ardito Barletta was consulted concerning the foreign debt and said:

[Begin recording] The debt is one aspect of the problems our countries are facing. Each country has to solve it according to its own circumstances, its actual situation. The actual situation in each of our countries is different, and so are the circumstances. Therefore, each country solves its foreign debt problem according to its situation.

However, in addition to this, we must recall that within the framework of what is happening in the world, there have been three key elements for solving these problems: 1. Each of our countries makes its own efforts to solve its problems, to adjust its economy, to get ahead. 2. In exchange for this, the international financial community offers additional support to our countries in order to facilitate that transition. 3. The developed countries recover their economy, open their markets to our exports so they will improve their economies, and we will also improve ours.

We have been working with these elements for the last 2 years. What is the problem? It is very important for us to get our nations back on the path to development, employment, greater well-being. At the same time, we must have the capacity to pay the service on the debt. What is happening now is that in view of the actual economic activity of the industrialized countries and the funds which are becoming available to us, right now the possibilities for meeting those two objectives [not further explained] are not being offered. [end recording]

CANAL COMMISSION MEMBERS VIEW EMPLOYMENT, BUDGET

PA301954 Panama City LA ESTRELLA DE PANAMA in Spanish 30 Jul 85 pp 1, 10 A

[Press communique issued by the Panamanian members of the Panama Canal Commission Board of Directors in Panama City on 27 July]

[Text] The Panamanian members of the Panama Canal Commission Board of Directors hereby report to the public the most outstanding results of the discussions held during the 17th meeting of the Panama Canal Commission Board of Directors in Panama on 25 and 26 July.

The main points on the agenda referred to two topics that the Panamanian Government believes are of essential importance to the country's interests. They are the increasing participation of Panamanians at all employment levels and in all fields of the Panama Canal Commission, and the modernization of the canal and all of the equipment that permits its efficient operation.

In the area of the increasing participation of Panamanians and in order to implement Article III, point No 8 of the 1977 Panama Canal Treaty and Article X, it was decided that the Board of Directors will evaluate the increase and promotion of Panamanians in the Panama Canal organization approximately every 6 months. It was also agreed that the Board of Directors will review those cases dealing with the filling of vacant executive positions when Panama expresses disagreement and questions an action. In addition, the Panamanian directors reiterated the Republic of Panama's interest in having the canal administration quickly present a timetable for the replacement of pilots by Panamanian pilots so that our country will have enough time to train the Panamanian personnel that will assume this important responsibility in the operation of the Panama Canal during the life of the Treaty. It was established that the administration will present the requested study at the next meeting.

The Panamanian directors emphasized the increasing participation of Panamanians, echoing the importance that the national government gives to the fulfillment of the Treaty provisions in this area since this is the means that guarantees that Panama will have the knowledge and technological expertise that will permit the orderly and effective transfer of the canal's administration.

With regard to the modernization of the Canal and its most important equipment, the Board of Directors accepted the Panamanian proposal to have the board analyze the studies that will be made on the need to provide maintenance or replace the most important equipment.

One of the last points discussed at this meeting dealt with the approval of the 1987 fiscal budget. It was approved even though the Panamanian members objected to the inclusion of a number of budget allocations which, in their view, are in no way related to the operation of the canal and which are mostly directed at subsidizing privileges of some U.S. employees of the commission.

The Board of Directors approved the report presented by the Committee on the widening of the Culebra Cut which establishes that most of the preliminary studies must be finished by the end of 1985.

Issued in Panama City on 27 July 1985.

Panamanian members of the Panama Canal Commission Board of Directors: Luis Anderson, Fernando Cordoze, Oyden Ortega, Carlos Ozores.

COSTA RICAGOVERNMENT TO SEEK WEAPONS FROM FRIENDLY COUNTRIES

PA302242 San Jose Radio Impacto in Spanish 1830 GMT 30 Jul 85

[Text] Due to the constant aggression by the Sandinist Air Force and Army, Costa Rica will ask friendly nations for antiaircraft weapons and high-caliber machine guns in order to defend its sovereignty. It has been reported that these nations would be the United States, Venezuela, Panama, Israel, ROK, Taiwan, and Colombia. In addition, the Costa Rican Security Council will recommend that President Luis Alberto Monge remove Costa Rican personnel from the embassy in Managua. In this way, Nicaraguan embassy personnel in San Jose could be forced to leave this country.

The possibility has also been considered to take the case of the attack carried out by the Sandinist Air Force on Friday to the OAS, the Contadora Group, and apply the Inter-American Reciprocal Assistance Treaty, TIAR. The TIAR would be asked to send a permanent observation commission to the border with Nicaragua. All of these points agreed by the Security Council will be presented to President Monge during a meeting that could be held in the next few hours. The antiaircraft and high-caliber weapons to be requested would essentially strengthen the vigilance of the northern border and the defense of the national territory to the highest possible degree, said the Security Council accord.

President Monge has spoken at other times of asking for assistance from friendly nations. This is the first time, however, that specific countries have been mentioned.

PUBLIC SECURITY MINISTRY OBTAINS NEW AIRCRAFT

PA310153 San Jose LA NACION in Spanish 25 Jul 85 p 2 C

[By Gerardo Chaves]

[Excerpts] The Air Section of the Public Security Ministry has placed two new airplanes and two helicopters into service that were obtained through a U.S. assistance program that also contemplates the delivery of an equal number of aircraft within the next few months. Colonel Luis Carlos Araya, chief of the Air Section, stressed that the addition of this new equipment entails a tremendous boost to his unit's ability to perform its duties, particularly because of the characteristics of the new equipment. Regarding the type of aircraft, Araya said that the planes are Cessna 206 six-seat turboprop monoplanes which cost \$400,000 each, including spare parts.

Two five-seat Hughes 500C helicopters are already in service at the Security Unit [Unidad de Seguridad] which approximately 1 year ago lost "the bubble," the only aircraft it had, in an accident. The new helicopters cost \$700,000 each, including a spare parts package that cost \$150,000, and are noted for their maneuverability and high speed. Two 14-seat Bell helicopters at a cost of \$1.5 million each are expected to arrive in Costa Rica in the next few months. These have the same characteristics but are larger than the ones that have already arrived in our country.

Araya explained that the Air Section already has highly qualified pilots and mechanics for the planes and helicopters.

He added that some pilots are being trained in the United States and that some have received training in the Panama Canal Zone and in the United States. Some of the duties of the Air Section are to provide protection and surveillance at the country's airports to prevent planes from transporting drugs or contraband. The Air Section is also in charge of surveillance at the border and our territorial sea and also coordinates the work of patrol boats.

Araya explained that surveillance and other social work can be done better with the new equipment, which will be added to the two other planes, two helicopters, two twin-engine Azteca planes, Piper Seneca plane, Aerocommander plane, and the four Cherokee monoplanes the unit previously had.

Colonel Araya expressed great satisfaction over the U.S. assistance and said he hopes it will continue to offer security to Costa Ricans with regard to surveillance and the best possible attention when emergencies arise.

#### EDITORIAL DECRIES NICARAGUAN OAS PRESIDENCY

PA301711 San Jose LA NACION in Spanish 24 Jul 85 p 14 A

[Editorial: "The Decomposition of the OAS"]

[Text] With the bloody incidents perpetrated by the Sandinist People's Army in Las Crucitas still fresh in our minds, a few months after the Marxist government violated our embassy in Managua, and amid increasing charges and proof of the active role of the commanders' regime in promoting subversion and terrorism in Central America, on 19 July a special OAS assembly committed the outrage of electing Nicaraguan Ambassador Edgar Parrales as president by acclamation.

This action, which in itself is absurd, became even more shameful when three delegations viewed the election as an expression of congratulations to the Sandinists on the anniversary of a revolution that they betrayed. It also became a shameful act due to the fact that it was an assembly in which the OAS would appoint members of the Inter-American Jurists Commission, the organization's consultative institution on legal issues.

The ludicrous spectacle in which a renegade priest, representative of a regime that is notorious for its disregard of international legal rules, was bestowed the honor of directing the election of a group of jurists was the result of a farce staged by the ambassadors of Mexico, the Dominican Republic, and Argentina. This maneuver by Mexico whose solidarity with the Sandinists and extreme leftist causes is, although offensive, well known, does not surprise us. However, Argentina and the Dominican Republic's complicity in plotting this expression of support for a totalitarian, repressive dictatorship is a slap in the face to those countries' difficult return to democracy after also being victims of dictatorship and repression.

Even more unfortunate is the fact that there was no immediate, vigorous, and clear protest, especially from Costa Rica, in view of the insult that was being committed. Instead the assembly accepted the unfortunate initiative with timid silence. On this occasion the OAS, which in the past issued outstanding decisions in defense of democracy such as the one that was decisive in the fall of the Somozist dictatorship in 1979, was sullied by the parliamentary tricks of those who play totalitarianism's game and by the compromising silence of the rest of the assembly.

It is evident that the OAS has been unable to avoid the degenerative process that afflicts most of the international organizations.

If Yasir 'Arafat, pistol at his side, could be acclaimed by the UN General Assembly, the representative of a regime allied with the most spurious of the international community must have felt more than authorized to preside over an assembly of the inter-American organization.

There is no doubt that the shameful incident that is the topic of this commentary as well as many other incidents that we could list shows the decline, the ineffectiveness, and deterioration of this hemispheric organization. It shows the hypocrisy of some of its member governments and makes evident the unpostponable need for a renovating action that will rescue it from the abyss in which it has fallen.

#### U.S. BLAMED FOR VOTE ON LAS CRUCITAS INCIDENT

PA300224 San Jose LIBERTAD in Spanish 19-25 Jul 85 p 2

[Editorial: "Peace Prevailed at the OAS"]

[Text] The OAS refusal to authorize the suspension of diplomatic relations between Costa Rica and Nicaragua because of the so-called "Las Crucitas incident" has given rise to an infamous comedy in our country. An attempt is being made to make Costa Rica appear as the defenseless victim of a conspiracy directed by Cuba and the USSR. The Latin American countries unanimously decided to humiliate Costa Rica and hand it over to the armed ferocity of the Sandinist government in Nicaragua. In other words, the weak, democratic Costa Rica has been turned by OAS into the toy of communism in Central America. To this end, they [not further identified] have raised a hue and cry and are spilling crocodile tears in all the country's avenues and around the world. They do not care how ridiculous they look to people with common sense, and this is why they have taken so much care not to touch on a subject that is fundamental to this debate. We refer to the position adopted by the United States, the self-anointed "greatest titan of democracy and sovereignty of the people." The OAS issued its pronouncement unanimously and the United States is a member of the OAS. The representative of the U.S. Government voted in the same way as the representatives of the Latin American countries. This means that the United States helped the rest of the countries to strike at Costa Rica, to humiliate it, and to virtually hand it over to the FSLN commanders. Where is the logic here? Don't these Pharisees know that the Costa Rican people are not so foolish as to fail to grasp such an enormous contradiction?

The report from the OAS investigating commission stated that the bullets that killed the two civil guardsmen may have been fired from Nicaragua, but also that it had not been able to determine who fired them. The Sandinist Army was on the Nicaraguan side, but so were members of the counterrevolutionary organization, Democratic Revolutionary Alliance [ARDE], and mercenary groups of the same origin as those that caused the "La Penca" tragedy some months ago. Who fired? Did President Monge, or Colonel Vidal, or Minister Piza Carranza furnish any evidence? They did not, and all of them openly admitted that they were making deductions. How could the OAS, as the highest tribunal in Latin America, convict Nicaragua of a bloody aggression against Costa Rica without proof, and thereby spark a war on the Central American isthmus? Neither our Constitution nor our laws authorize any tribunal of the Republic to pronounce a sentence without supporting evidence. Is this thesis, which is one of the biggest accomplishments of civilization, not applicable to conflicts between nations?

Now let us assume that the OAS thought for a moment of the possibility of making a pronouncement based on assumptions, as did Monge, Vidal, Piza and some other know-it-alls who have already started to sprout like bumblebees in May. The international tribunal would necessarily have had to keep the following facts in mind.

First: According to its own report, approved and applauded by the Costa Rica Government, the shots were fired from rifles of varying calibers. Is it believable that an Army as well equipped as the Nicaraguan Army, which has the most sophisticated weapons, would have its soldiers fire with different caliber weapons? Why didn't President Monge, Colonel Vidal, and Minister Piza oppose this conclusion by the investigating commission, instead of supporting it? Let us apply the deductive logic that was surely applied by the OAS including the U.S. Government representative: The shooting was done either by different forces or by poorly armed forces. Was it then possible to convict Nicaragua?

Second: Who benefitted from the conflict? Nicaragua, or the CIA? Would it be to Nicaragua's advantage to have a situation on its border that the military and political leaders of the United States could exploit to start the intervention that President Reagan has announced and continues to announce? Wasn't the answer to this question obvious to OAS members? The OAS cannot be unaware that the CIA, financed by the U.S. Government, had already openly attempted, on four occasions, to cause a suspension of diplomatic relations and a clash between Costa Rica and Nicaragua. It tried it twice in Penas Blancas, once in Procosol and San Carlos and once again in Las Crucitas. The artificial provocation of these conflicts was definitely proven. Could the OAS, knowing of these provocations, find Nicaragua guilty? No, it could not, and the best evidence is, as is herein stated, the vote of the U.S. representative.

#### EL SALVADOR

##### DEPUTY FOREIGN MINISTER DISCUSSES BORDER PROBLEM

PA302259 San Salvador EL DIARIO DE HOY in Spanish 30 Jul 85 p 3

[Text] International communism is stalking El Salvador and Honduras, and that is why the border problem and any other problem between the two countries should be dealt with with good sense, Deputy Foreign Minister Ricardo Acevedo Peralta told EL DIARIO DE HOY in relation to a note from the Central Federation of Unions of Free Honduran Workers. Deputy Foreign Minister Acevedo said that as sister countries they should not forget that they have a common enemy, international communism, waiting to exploit any problem for its own benefit and against our two countries' common interests.

Regarding the border problem, Acevedo said that contrary to what has been said, the Salvadoran Government has the best intention to try and see if it can solve the problem with the participation of both countries. Acevedo added that any solution to the problem has to be accomplished with absolute respect for our sovereignty.

He also said that the Sandinist regime does not have any evidence to accuse Honduras of supporting the counterrevolutionaries; however, Honduras does have evidence that the Nicaraguan regime has been helping the terrorists who are trying to overthrow the Salvadoran Government.

Acevedo said that relations with Nicaragua are at their lowest level. Nicaragua has a charge d'affaires, and we have a consul in charge of diplomatic relations. We have no plans to open an embassy; we will keep things as they are for the time being, Acevedo said. We want respect from the Nicaraguan authorities, and we want them to stop accusing us of things we are not doing and not to intervene in our affairs, Acevedo said. Further on, Acevedo said that on 6 August, the Tegucigalpa Group -- Honduras, Costa Rica, and El Salvador -- will hold a meeting called by Honduras to analyze the situation and to assume a joint action regarding the issues contained in the Contadora plan.

In relation to the accusations made by Honduras that El Salvador has violated its territory, Acevedo said that these are border zones that still have not been definitely delineated; therefore, they cannot be considered Honduran territory. In conclusion, he said that strong language does not contribute in any way to the dialogue process with Honduras, which is part of the plan of the General Peace Treaty.

#### ARENA QUESTIONS FOREIGN MINISTER'S COMPETENCE

PA301314 San Salvador EL DIARIO DE HOY in Spanish 29 Jul 85 p 51

["Paid advertisement" by the Nationalist Republican Alliance, ARENA]

[Text] Faced with the Christian Democratic government's cover-up of the critical and serious situation that [Foreign Minister] Castillo Claramount's actions have caused with our sister country Honduras, our party, being truly nationalistic, and in defense of our sovereignty, territorial integrity, and national security, discloses to our people the notes exchanged by the two foreign ministries which reveal the imprudence, incompetence, or complicity of Christian Democrat Castillo Claramount.

As true nationalists, ARENA members back and support all formal protests presented by the Salvadoran Government against all violations of our fellow citizens or our territory whenever there is cause and this is done appropriately, adhering to international procedures. However, ARENA can never back a politically-inspired protest with capricious phrases like: "That attitude of the Honduran Government aids the guerrillas who are trying to destabilize my government."

This attitude contravenes all rules of protocol and international relations and has generated indignation in our sister country, Honduras, opening wounds that were being closed over the years with great effort. This only favors the Sandino-communists in their aggression against our country because in the present circumstances in the region, Salvadoran unity is as fundamental as the unity of the democratic countries of Central America. This action by the foreign minister, who sent an inappropriately worded note on 28 June regarding an incident that occurred on 8 April which was handed to the Honduran Foreign Ministry on 16 July, could have serious repercussions for our national security. This has moved us to inform the Salvadoran people and to clearly stress: Is it incompetence or is it complicity?

For my party, my people, and my country.

#### COPREFA ISSUES COMMUNIQUE ON RECENT FIGHTING

PA302246 San Salvador EL MUNDO in Spanish 27 Jul 85 p 2

[Text] A communique from the Armed Forces Press Committee [Coprefa] reports that in the area north of the Torola River, Morazan, troops from the 3d Infantry Brigade of San Miguel and from Military Detachment No 4 of San Francisco Gotera began a new counterinsurgency operation called Phase II. The communique also reports that 11 soldiers from the 1st Infantry Brigade were injured during clashes with guerrillas the night before last on the Northern Trunk Highway.

The communique reads: Eleven members of the 1st Infantry Brigade were injured yesterday during clashes with terrorists on the Northern Trunk Highway at km 11.5.

Soldiers from the General Manuel Jose Arce Rapid Deployment Infantry Battalion encountered an extremist column at (Cerro El Pillo), Sesori Jurisdiction in San Miguel. Five terrorists were injured. Troops from the Leon Infantry Battalion clashed with extremists near San Dieguito, Carolina Jurisdiction, in San Miguel. One terrorist was killed. Yesterday, an operation to locate and destroy extremist strongholds was started in the area north of the Torola River, in Morazan Department.

Peace is our objective.

San Salvador, July 1985

VENCEREMOS REPORTS IMMINENT ARMY SHAKE-UP

PA310338 (Clandestine) Radio Venceremos in Spanish to El Salvador 0035 GMT 31 Jul 85

[Text] Attention, attention, now we will present a report on personnel changes in the Armed Forces resulting from foiled military plans. Confirmed reports issued by our intelligence service indicate that there have been strong arguments at the High Command, including serious criticisms of Generals Blandon and Vides Casanova and others who are singled out as responsible for the failures the Army has had. Jose Napoleon Duarte attempted to control the crisis and mediate in these groups to prevent this development from having a negative political effect on the approval of U.S. aid.

We have concrete reports indicating that in the next several days important changes will take place in executive commands in the Army, whose capacity to implement the plans designed by the U.S. advisers has been questioned. The changes include the commands in eastern and northern El Salvador. The changes confirm the undeniable crisis the Armed Forces is facing as the FMLN is just beginning to reorganize its strategic plan. Within several months the crisis will envelop not only the Army, but Duarte's regime as well, as it presents serious internal conflicts and is being singled out as excessively corrupt and at the service of the U.S. interests. As the FMLN strengthens its unity, our enemies are becoming divided.

This has been our intelligence report confirming strong arguments in the High Command, including serious criticisms of Generals Blandon and Vides Casanova, who have been singled out as responsible for the Army's failures.

FMLN STAGES AMBUSH IN SAN VICENTE; 15 CASUALTIES

PA301900 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 30 Jul 85

[Text] This report is from the Anastasio Aquino Paracentral Front. In San Vicente, a guerrilla ambush resulted in 15 casualties. Attention: Guerrilla units from the FMLN's Andres Torres Sanchez Battalion successfully carried out an ambush on the afternoon of 28 July against a section of the 5th Infantry Brigade. The ambush began at 1750 on Sunday, and ended at 1820 on the same day. It took place at km 60 on the highway that links San Vicente with Zacatecoluca. The action took place a few kilometers from the Bracamonte Battalion, which was carrying out a showy, slow operation on Campana Hill in the eastern sector of San Vicente Department.

Attention: The results of this successful operation in San Vicente are the following: six dead, including one sergeant, and nine soldiers wounded.

All in all, we inflicted 15 casualties on the enemy, including dead and wounded. Meanwhile, our revolutionary unit captured one soldier, one prisoner of war. We also seized two U.S. M-16 rifles with ammunition, two rifles sent by Reagan which are now part of the people's arsenal. We also seized six military knapsacks from the ambushed troops. On our side we reported one wounded fighter. Long live the heroic struggles of the working class! The heroic struggle by the FMLN guerrillas defeats the puppet Army and the Yankee advisers. We must intensify the people's war and lead the revolution to victory.

#### GUATEMALA

##### SOLDIERS CLASH WITH GUERRILLAS IN 2 DEPARTMENTS

PA310019 Guatemala City Radio-Television Guatemala in Spanish 0300 GMT 30 Jul 85

[Text] The Guatemalan Army reported today that an Army patrol located a subversive supply camp in Panzo municipality, Alta Verapaz Department. The soldiers clashed with the occupants of the supply camp and three alleged guerrillas were killed. The other rebels fled from the area. Yesterday at 1740 a Guatemalan Army patrol located a group of subversives near (Xumal) hill, Nebaj municipality, El Quiche Department. Three alleged rebels were killed during the clash and the soldiers recovered weapons, ammunition, and backpacks with food and medicine.

#### BRIEFS

FISHING COOPERATION WITH MEXICO -- An act of commitment was signed on 12 July between the Guatemalan Agriculture Ministry and the Mexican Fisheries Secretariat. Mexican Fisheries Secretary Pedro Ojeda Paullada met with Guatemalan Agriculture Minister Juan Humberto Mancur for this purpose. The document establishes economic, scientific, and technical cooperation to increase of the fishing activity of both countries.

[Summary] [Guatemala City EL GRAFICO in Spanish 13 Jul 85 p 2 PA]

1984 DRUG CONFISCATIONS -- Guatemalan Treasury Guard spokesman Amadeo Montejo has reported on drug seizures throughout the country in 1984. Guard units seized 600 quintals of poppy seed and 319,635 poppy plants last year. Marijuana seizures included 27,991 quintals of marijuana and 17,871 plants, with a combined estimated value of 352,019,743 million quetzals. The bulk of the marijuana seizures occurred in Peten. [Summary] [Guatemala City Radio Television Guatemala in Spanish 0300 GMT 25 Jul 85 PA]

#### HONDURAS

##### AMBASSADOR BLAMES NICARAGUA FOR IMPASSE

FL270250 Mexico City NOTIMEX in Spanish 0120 GMT 26 Jul 85

[Excerpts] Mexico City, 25 Jul (NOTIMEX) -- The Honduran Government criticized the Sandinist Government for having caused the impasse the Contadora Group is experiencing and assured that the United States is not involved in Central America. Ricardo Arturo Pineda Milla, Honduran ambassador to Mexico, interviewed by NOTIMEX, said: When we were ready to sign a peace and cooperation agreement last June, the Nicaraguans introduced new aspects and then backed out.

The Honduran representative said that his country is independent of Washington policy even though there are coincidences.

The United States has nothing to do with the regional conflict. Its problem is a bilateral one with Nicaragua. Pineda Milla sharply denied the existence of U.S. military bases. He said that what does exist on Honduran territory is joint military exercises and a training school, which is also attended by Latin American officials.

If the Contadora Group can reach an agreement in Central America and it is agreed that foreign military advisers must leave, the following day my government would say thank-you to the U.S. soldiers, and they would return home, said the ambassador.

Pineda Milla said: We have given Managua proof that we want to live in peace. We have returned the soldiers safe and sound, as well as supplies, and vehicles that have penetrated our territory. Nevertheless, we have received aggression from them. They shot down one of our helicopters and civilians were killed because they violated Nicaraguan airspace by accident.

The diplomat is confident that the results of the Contadora efforts could end the regional conflict that is detrimental only to Central Americans, but to the whole continent.

#### NICARAGUA

##### ORTEGA MEETS WITH CONSTRUCTION SECTOR REPRESENTATIVES

PA310125 Managua Domestic Service in Spanish 2213 GMT 30 Jul 85

["Part one" of "Face the People" program, with Nicaraguan President Commander of the Revolution Daniel Ortega, "members of cabinet," and representatives of the construction sector; at the headquarters of the Sandinist Central Organization of Workers, CST, in Managua -- live]

[Text] [Moderator] Good afternoon companeros. We begin this afternoon's "Face the People" program with representatives of the construction sector. Here with us is Commander of the Revolution Daniel Ortega Saavedra, president of the Republic [applause], the members of the revolutionary cabinet [applause], Lucio Jimenez, secretary general of the Sandinist Central Organization of Workers [CST], and Carlos Salgado, secretary general of the independent General Labor Confederation [CGT] [applause]. We present Commander of the Revolution Daniel Ortega Saavedra [applause]

[Ortega] Good afternoon companeros. We invited to this "Face the People" meeting not only representatives of all the unions that are in one way or another connected with the construction sector, but also private builders. We understand that the Construction Chamber is represented here after having agreed to participate in this meeting. The Nicaraguan Association of Engineers and Architects, an affiliate of the Confederation of Nicaraguan Professional Associations [Conapro], which is in turn a member of the Higher Council of Private Enterprise [COSEP] is also here. The members of the COSEP's construction chamber declined the invitation, however.

We try to be broadminded with a spirit of national unity, inviting all sectors connected with construction. We understand there is a broad and pluralist representation of the unions here today [applause]. With the exception of the Construction Chamber, we can say that sectors that have differences with the revolutionary government and the FSLN are also here. The Construction Chamber's refusal to attend this meeting surprises us. Why? They are members of COSEP. COSEP has persistently stressed the need to hold a dialogue. Moreover, they do not only advocate a dialogue like this one which we are holding today, but one that even puts our country's revolutionary changes at stake. They propose a dialogue that is unacceptable to the Nicaraguan people.

They propose a dialogue to include the U.S. Government's instrument of terror, the Somozist mercenaries who last Saturday murdered nine mothers. Now another mother's body has been found. They were mothers who were going to visit their sons stationed at Mulukuku; the criminals and murderers attacked the vehicle in which the mothers were traveling and killed nine of them.

The gentlemen of COSEP want us to talk with these murderers. So do other people who in Nicaragua support the policies of the U.S. leaders. The Construction Chamber's reaction is inconsistent with its demands. They demand a dialogue with these murderers, but they are incapable of coming here to talk and meet with the workers, the various sectors involved in Nicaragua's construction activities, the revolutionary government, construction professionals. They reject a basic dialogue like this! They do not practice what they preach, but are inconsistent with their demands. They want a dialogue with the people's murderers.

Nicaragua has been making efforts to seek a peaceful solution to counter U.S. aggression. The United States is advancing this aggression. The U.S. leaders are terrorists who murder the Nicaraguan people, they direct the aggression, finance the criminals -- and let me point out that the U.S. leaders are criminals just as are the mercenaries; the U.S. Government is even more responsible for the actions than the mercenaries, who kill to the extent that the U.S. leaders and the U.S. Congress approves millions in funds to murder the Nicaraguan people. If they did not have the effective support of the U.S. Government they would not be in the position to commit the barbaric actions they are staging against the Nicaraguan people.

We have sought to hold a dialogue with the U.S. Government to benefit peace, in the knowledge that they are actually responsible for these crimes. It is then not a matter of not talking with the people's murderers, but a matter of talking with the real people's murderers: the U.S. leaders. That is the truth. We have been and are willing to talk with those murderers of the Nicaraguan people to stop their policy of aggression against the Nicaraguan people and so that we might normalize relations with the United States, which is to blame for the Nicaraguan people's pain and suffering.

However, while we are here to discuss all those things that construction workers and professionals want to discuss, to speak of a topic that is very important to Nicaragua, which is facing the imperialist aggression with arms while it continues to work and build, the U.S. leaders continue to scheme against Central American and Latin American peace and the unanimous clamor of the world's peoples and governments. Peoples and governments have -- at the United Nations, the Nonaligned Movement, and through the Contadora Group -- expressed their repudiation of the U.S. policy of aggression against Nicaragua, rejecting a military solution in Nicaragua, and calling for a peaceful solution through dialogue.

The Contadora Group recently told the United States that it is necessary to resume the talks with Nicaragua in order to normalize U.S.-Nicaraguan relations. How did the U.S. leaders react? They have rejected the dialogue. Moreover, the Contadora Group has endorsed a Nicaraguan proposal that Costa Rica and Nicaragua work to establish a security area along the border territory with the participation of multinational forces. The Contadora Group has gone so far as to propose at its last meeting that Costa Rica and Nicaragua should meet in Panama in early August -- in the first 10 days of August. We agree with holding that meeting in Panama, and have said so to the Contadora Group and the Costa Rican Government. The Costa Rican Government, which we are certain is concerned about this situation, and would like to find a solution to it through dialogue, is receiving great pressure from sectors in Costa Rica that answer to the aggressive policy of the U.S. leaders.

At this moment, we realize that the pressure is very strong and that what they want from the government of President Luis Alberto Monge, is for him to withdraw all diplomatic personnel from our country. They want President Luis Alberto Monge to sever relations with Nicaragua in the next few days. This, of course, will be in favor of the U.S. aggressive plans, which is seeking a military solution and wants to increase the war in the Central American region. The United States wants more Central American countries involved in the war.

We have attempted to contact President Monge to discuss the matter, tell him that we are concerned about this situation, that we are aware that the pressure exists, and that we believe that positions of force will lead nowhere -- their only outlet being war, and war will benefit neither the Costa Rican nor the Nicaraguan people, but only the U.S. leaders, because it would advance their interventionist plans against Nicaragua. Costa Rica is also talking about asking several countries for arms to defend itself from Nicaragua. We have said that if the Costa Ricans want to build up an army, bigger than what they already have, because they have an army, if they want to have planes and modern antiaircraft arms, that is their business, they have the right.

However, in the face of all this tension and these worries the Costa Ricans have, it is not sensible to increase the tension, nor the positions of force; the most sensible thing to do is to respond to the Latin American appeal through the Contadora Group that we meet -- Costa Rica and Nicaragua -- within the next 10 days in Panama. It does not have to be President Monge and me; it can be Costa Rican and Nicaraguan delegations which can reach definite proposals that will allow us to decide on a security zone along our border, with the participation of a multinational force. This will take care of Costa Rica's worries, and it will also give Nicaragua assurance that Costa Rica will not be used as a base of aggression, as a terrorist base, against the Nicaraguan people.

In Lima today, leaders and representatives of Latin American governments met on the occasion of President Alan Garcia's inauguration, and four countries -- Argentina, Brazil, Uruguay, and Peru -- clearly expressed their decision to become a group of countries supporting the Contadora Group's efforts. They are willing to carry out any task assigned to them by the Contadora Group, among which, for example, would be their participation in a multinational force, just as Nicaragua has proposed to try to stabilize the border zone with Costa Rica.

I wanted to talk about these things before we began the dialogue, and I hope that in the near future the gentlemen of the Construction Chamber practice what they preach when they ask the revolutionary government for a dialogue with all sectors, including the members of the mercenary forces, instruments of the U.S. Government. I want them to know that here they have the opportunity to participate in a constructive discussion and to criticize a subject of such importance for our country as is the construction sector. [applause]

[Moderator] The companeros who are going to ask questions, we please ask them to give their names, the name of the company where they work and say from what region they come.

[Miguel Espinosa] Miguel Espinosa, secretary general of the German Pomares Ordóñez Federation. Companero, President of the Republic, commander of the revolution, Daniel Ortega Saavedra. Companeros, members of the revolutionary cabinet. Companeros, presiding over this program: The German Pomares Ordóñez Trade Unions Federation, a revolutionary organization which comprises all sectors of the Construction Ministry, affiliated with the Nicaraguan Workers Federation, with 6 regional unions, 19 company unions, 30 trade union departments and on behalf of 13,500 workers, companeros, members of the trade unions, we have invited you to participate in this brotherly dialogue with our authorities.

This is part of the steps we have been taking to organize the national trade union for the construction sector.

Companero President, we also have a statement to make, the German Pomares Ordonez Trade Unions Federation and the member workers of the federation, who day after day are contributing with their quota of blood for the construction of a new Nicaragua, cannot remain silent and much less indifferent to the cruel tragedy that has brought mourning to all Nicaraguan homes. We are referring to the massacre of the mothers of all the sons who are defending the country's integrity. The nine mothers who died as a result of the assassins' bullets of Reagan's champions will not go unpunished. The world terrorized by these crimes, institutionalized by Yankee imperialism, condemns this vile massacre, it rejects the actions of the U.S. authorities who are financing the assassins of yesterday, today and of always of the people of Sandino.

The construction workers, especially of the Construction Ministry, are full of pain, anger, and rage. We want punishment for those who mercilessly murdered the mothers of our sons, who are the sons of the people. In the same manner, the workers, peasants, engineers, architects, secretaries, watchmen, messengers, heavy equipment operators, drivers, accountants -- all the workers in general -- who are the moving force of the revolution, condemn and will always condemn the crimes of the counterrevolution.

We who are living the reality of liberated Nicaragua; we who forged the promising future supported by those who have fallen along the way without letting go of their rifles, shovels, and tractors, in the mountains and there where just a few hours ago eight Nicaraguan mothers were killed, are telling the world that the revolution is irreversible, that the Somoquist mercenaries will not pass because of the fighting spirit of the people, because this is the country of heroes who neither sell themselves nor surrender. This is not the time to keep silent, or to hypocritically cry for the peace of the grave. It is time to take action for defense. It is time to hear the voice of the church through the cardinal. It is time to hear the voice of private enterprise condemning this massacre. It is time to say Free Fatherland, [crowd shouts: "or Death"; applause]

[Moderator] Those were the workers of the Ministry of Construction in this "Face the People" program.

[Mungia Cabezas] Good afternoon, Companero President. My name is Hector Luis Mungia Cabezas, from the Construction Ministry. On behalf of all the workers of the Construction Ministry, I have many things to say. First of all, I wish to deliver a small donation collected from all the workers. [applause]

[Moderator] Companero Mungia is now going to the podium to deliver to President Daniel Ortega Saavedra a check with a donation from the workers for defense. Commander Ortega reads the document presented by the Construction Ministry workers and receives the donation from Companero Hector Luis Mungia Cabezas.

[Munoz] My name is Rigoberto Munoz, of the National German Pomares Ordonez Federation. Our question is: In order to guide the trade unions of the construction sector and the companeros who are here, please tell us how the economic blockade has affected us in the reconstruction of the country, with the shortage of construction materials and what will be the consequences if the Ronald Reagan administration imposes a naval economic blockade on us?

[Moderator] The question will be answered by Guerrilla Commander Mauricio Valenzuela, Minister of Construction.

[Valenzuela] Concerning the effects of the blockade, particularly in the construction sector, we can say that this sector greatly depends on the foreign sector in view of the fact that in order to maintain its equipment in working condition, that is for engineering work and land movement, it has to rely on the importation of equipment, of spare parts, and other raw materials such as batteries, fuel, and lubricants. The construction sector which has to do with the construction of buildings also depends on importing goods. We produce a very limited amount of materials in our country, and most of the construction materials needed for finishing buildings are imported.

Before giving you any amounts, we will give you specific examples of this quarter, showing the influence of the blockade and how the foreign sector's difficulties have affected the economic activity of construction. For example, in the first quarter, there was a shortage of batteries as we did not have the raw materials to produce them, and therefore we had to ration their distribution. Many brigades had to assign one truck from 0400 hours on to go around to turn on engines from truck to truck, from equipment to equipment. This, of course, damages the equipment, decreases production, and results in higher costs. There has also been a shortage of lubricants. During the first quarter of this year, there were practically no lubricants. We estimated that out of 1,000 barrels required for the Construction Ministry, we were only able to obtain 100 barrels of lubricants. This gives us an idea of production also, because in many cases, due to a lack of lubricants, the machinery was being misused.

Concerning spare parts, the construction sector had been assigned \$17 million for operations, to import spare parts and tires. However, our ministry has only been able to use approximately \$6 million. This will give you an idea of our lack of supplies. However, since much of our equipment used for land movement has been recently purchased from friendly countries, there is a possibility that we will not be faced with a lack of spare parts. The old equipment, which we had prior to our Sandinist victory, is from the United States.

For the construction of buildings, we needed \$5 million for the investment plan to be used in construction materials, but we have been able to use only \$2.5 million. This is not very serious, but it must be clear that we are only referring to the national plan, and not to many needs of the people. The blockade is affecting our production, increasing our costs, cutting investments and projects, which in the long run, means inflation. The blockade translates into greater sacrifice, greater problems for our people, delays in some priority projects, many of them linked to the military defense of the revolution such as highway construction in the war areas as well as the relocation of people in the northern area. Therefore, the effects of this warmongering policy, of this blockade and blackmail are very serious for the revolution.

[Moderator] That was Guerrilla Commander Mauricio Valenzuela, Minister of Construction, answering a question on the "Face the People" program.

[Mungia Cabezas] I would like to ask President Companero Daniel Ortega: What is Nicaragua, its president, going to do to force that criminal Ronald Reagan who has massacred mothers to attend a dialogue, or is it going to ask the Contadora Group to force Reagan to attend this dialogue? What is Nicaragua going to do about Costa Rica, to force it to hold a dialogue? What is the Nicaraguan Government going to do about those countries? Are we going to contact the Contadora Group so it will force these two countries to a dialogue?

[Moderator] That was Companero Hector Luis Mungia Cabezas asking a question. Commander Daniel Ortega will answer the question.

[Ortega] Nicaragua has made every possible effort to have the U.S. Government agree to hold talks with a view to normalizing the relations between the United States and Nicaragua. How many proposals Nicaragua has presented! How flexible Nicaragua has been! Nicaragua is the only Central American country that has presented concrete proposals allowing for progress in this process of dialogue and negotiation. Nicaragua has been very flexible, and the best witnesses of this flexibility have been the countries of the Contadora Group. We have proposed peace and friendship treaties to the U.S. rulers on several occasions. We have proposed that we sign peace and friendship treaties where we commit ourselves not to harm each other, not to promote activities that will affect the United States or that will affect Nicaragua. Thus, if Nicaragua has been so flexible, if there have been so many initiatives on the part of Nicaragua, why doesn't the United States accept a dialogue? Why doesn't the Costa Rican government accept a dialogue? Why do the presidents of Honduras, Costa Rica, and El Salvador refuse to meet with us? We have invited them to meet with us. We have invited the presidents of Honduras, Guatemala, El Salvador, Costa Rica. We have had a different relationship with the president of Guatemala. He has always been willing to converse with Nicaragua. However, in the case of El Salvador, Costa Rica, and Honduras they are flatly refusing to hold talks with Nicaragua.

Contadora has made a specific proposal which is its peace act, and Nicaragua has accepted it. However, Costa Rica, Honduras, and El Salvador have rejected it. What does all this mean? Is it perhaps that the presidents of Costa Rica, El Salvador, and Honduras want war? We want to think that this is not the case, that they do not want war.

However, the problem is that the United States wants war. The United States wants to eliminate the Sandinist revolution, and that is the main problem. The United States is striving to eliminate the Sandinist revolution, and it has used the mercenaries, it has threatened to invade us, and it threatens to attack targets which is describes as bases of terrorism in Nicaragua. I have classified information on these attacks that could be staged at any moment to bomb some place in Nicaragua.

Thus, the main problem, the only problem, is that the U.S. Government does not accept the reality of this revolution and wants to destroy us. It wants to destroy us by using the mercenaries and its own troops in a direct intervention against Nicaragua. It wants to destroy us. In order to destroy us, the United States is exerting pressure on the rulers of Costa Rica, Honduras, and El Salvador so they will repeat that Nicaragua is a threat to the Central American states and that therefore a military solution against Nicaragua is needed.

They -- the rulers of these countries -- do not realize... [Ortega changes thought] I think they stimulate, for example, the rightist sectors in Costa Rica and they tell President Monge: Now, look, you accept U.S. policy; do not accept any dialogue with Nicaragua; do not accept any meeting with Nicaragua; let the U.S. troops come to Costa Rica to defend Costa Rica. Likewise, the Honduran and Costa Rican rulers think in the same manner, I mean, the Salvadoran rulers. They do not realize that a U.S. intervention against Nicaragua is not going to restrict the war to Nicaraguan territory. The war will spread to all of Central America. They think that because the United States is on their side and is whispering in their ears to commit themselves in the terrorist action against Nicaragua in order to eliminate the Nicaraguan revolution, they think that it is a simple operation for the United States to arm Costa Rica, build up an army in Costa Rica, send troops to Costa Rica, Honduras, and El Salvador; and then they all launch an attack against Nicaragua and eliminate the Sandinist revolution, and Central America will be tranquil.

They do not realize that Central America will be set on fire if the United States acts in this manner against Nicaragua and commits the Governments of Costa Rica, Honduras or El Salvador. That is the main problem. The United States is following that line of action against Nicaragua, it is striving to eliminate the Sandinist revolution. What can we do? More than what we have already done in initiatives, in proposals, in being flexible? No, there is nothing more we can do.

During the 19 July commemoration days, reporters asked whether Nicaragua would make new proposals. Some wondered if special announcements would be made on 19 July. When people think about new proposals or special announcements by Nicaragua, they are thinking about new concessions by Nicaragua. There can be no more concessions on Nicaragua's part, because that would imply a beginning to the surrender of the revolution. The Nicaraguan people will not agree to that; therefore, the revolutionary government cannot do it. What have we done? What are we doing now? Ratify our policy, confirm it. First, it has become increasingly clear that the main front of struggle we to defeat the U.S. aggressive policy is the strengthening of the Nicaraguan people's military organization. The Nicaraguan peasants and workers are at the forefront of the people. That is the main front to defeat intervention and aggression. Why? U.S. analysts were able to confirm on 19 July that more than 500,000 Nicaraguans come together to commemorate the revolution. That is not enough, however, because if the people are not prepared and organized militarily to defend the revolution, those multitudinous rallies would be of no use. The people can be united -- this is a determining and important factor -- but if they are unarmed, that is, if they are not organized, do not know how to handle a rifle and fight, then they would be a people exposed to extermination in the face of the enemy's aggressive actions. However, if the people are both united and organized to handle weapons, and are armed, then the enemy will be convinced that they will not resolve Nicaragua's problems through arms or as they see it, by attempting to destroy the Nicaraguan revolution: They will not succeed. What alternative will they have? Invade, in the knowledge that the people will be organized and that every man, woman, and child will fight? This they must think twice before they will have another Vietnam in Nicaragua, with the only difference being that this Vietnam will not be thousands of kilometers from the United States, but practically next door to them, and the blast of this Vietnam can reach them here.

If they have any common sense and intelligence, and are seeing that these people are willing to fight, what alternative do they have left? The alternative of negotiation. However, they still believe that they can destroy us militarily, sponsoring terrorist actions like murdering mothers. They believe they can demoralize, terrorize, intimidate, and destroy people.

The Contadora Group, which just met, as we said upon opening this program, has made a number of concrete proposals, and in Peru, the United States has been called to meet with Nicaragua in Panama. However, the United States does not want a peaceful solution at this time, it does not support the Contadora Group, and it thus continues to reject the dialogue. They say they favor a peaceful solution, but in the practice, they reject it. They say they favor a peaceful solution, but in the practice, they reject it. The Costa Rican, Honduran, and Salvadoran Governments, pressured by U.S. policy, lack the necessary strength to tell the U.S. leaders that the military alternative is mistaken, that it is entangling them in the conflict, that this wave will envelope us all, and that the best solution is a peaceful one. They lack that determination.

Nicaragua is willing to talk with Costa Rica in Panama. Costa Rica and Nicaragua can, within the next few days, take another step, or a first step toward peace.

How? By listening to Latin America and the world, acting responsibly, and meeting in Panama. Costa Rica can send its representative to Panama. We will send ours. There, in the Contadora framework, the possibility of creating a border security zone can be discussed. This will be a step toward peace and peaceful solutions of the problems. However, if we do not want to take steps in that direction, then Costa Rica will probably yield to U.S. pressure, withdraw its diplomatic personnel from Nicaragua, eventually sever diplomatic relations with Nicaragua, decline the proposal to meet in Panama, attempt to move the country toward militarization, and these will all be steps Costa Rica will be taking toward war, under pressure by the United States -- this much we understand -- and by right-wing circles in Costa Rica, that are irresponsibly kindling the fire in the belief that they will not get burned. They fail to realize that they will get burned if they light that fire.

The Costa Rican president has a grave responsibility. We hope tht instead of taking a step toward war, he responsibly takes a step toward peace. [applause]

MEETING WITH COSTA RICA BEFORE 10 AUGUST PROPOSED

PA310014 Managua Radio Sandino in Spanish 1200 GMT 30 Jul 85

[Text] The Nicaraguan Government has proposed that the meeting with Costa Rica proposed by the Contadora Group to discuss the establishment of a security zone between the two countries be held before 10 August. The announcement was made by Nicaraguan Vice President Sergio Ramirez in Lima, Peru, after he had met with Colombian President Belisario Betancur and Panamanian President Nicolas Ardito Barletta, who also attended the inauguration of Peruvian President Alan Garcia. Here is a recording of Ramirez' statement in Lima, Peru:

[Begin recording] President Ortega sent a note to Costa Rican President Luis Alberto Monge approximately 3 weeks ago, in which he proposed a meeting between Costa Rica and Nicaragua to discuss the organization of a security system between the two countries. We have mentioned a security system or neutralization because Costa Rica does not officially have an army, and therefore we cannot talk about demilitarization. However, we can talk about a border security zone. In my talks with the presidents of Uruguay, Argentina, Peru, and other Latin American leaders, these Latin American countries clearly stated their interest in contributing with concrete measures for the organization of these border security mechanisms, beginning in Costa Rica. If this mechanism proves to be successful, we would be interested in implementing a similar system on our northern border with Honduras, with the participation of Latin American countries. I have met with representatives of the Contadora Group who are here to attend the inauguration of the new Peruvian Government, namely with Presidents Betancur and Ardito Barletta, who are the two Contadora presidents attending this event. I have told them that we would like the first meeting between Costa Rica and Nicaragua, which is to take place in Panama under the auspices of the Contadora Group and the French Government to take place immediately. We have proposed that the meeting be held before 10 August. [end recording]

Yesterday afternoon, after meeting with various political, economic, and social sectors in Peru, Sergio Ramirez said that the Peruvian people and Government fully support the Sandinist Revolution.

[Begin recording] We found great support. In his speech, President Garcia clearly expressed the support of the government party, the American Revolutionary Popular Alliance.

We have also received the support of the United Left headed by our friend Parrantes, and of all the other political groups, labor and social organizations in the country. Above all, we have seen an identification with what we call a Latin American solution for the problem of peace in Central America. We think we will have a great advocate for this kind of solution in President Garcia. Yesterday he announced his determination to become part of a support group for Contadora, which will also include countries such as Brazil, Uruguay, and Argentina, that have also expressed their desire to be part of the group. We believe that with their firm support, the Contadora Group will be in a better position to seek a negotiated solution for the problems of peace in Central America, to which, of course, the Nicaraguan government is open. [end recording]

APRA OFFICIAL DISCUSSES U.S., CONTADORA

PA261911 Managua Radio Sandino in Spanish 1200 GMT 26 Jul 85

[Text] Peruvians are going to greet Nicaraguan Vice President Sergio Ramirez like a Latin American brother; we are going to reiterate to him our solidarity with the struggle of the Nicaraguan people. This statement was made by Hugo Otero, adviser to Peruvian President-elect Alan Garcia, who will be sworn in this Sunday, 28 July. Otero, who, like Garcia, is a member of the American Revolutionary Popular Alliance, APRA, condemned U.S. military meddling in Central America and said that Reagan has Nicaraguanized his policy without realizing that historic changes are taking place in Latin America. Here are exclusive statements by Hugo Otero on the foreign policy of the new Peruvian Government.

[Begin recording] [Otero] Ramirez will be received with the respect that the representative of the Nicaraguan people deserves. He is the representative of a country that forms part of the large Latin American community. For this reason we will welcome him, and through him we will state our support for the Nicaraguan people. APRA's solidarity with the people of Nicaragua has existed for many years, for several decades. More than a century ago, Haya de la Torre stated his support for the Nicaraguan people. He even offered to fight at the side of General Sandino.

[Reporter] What about the Reagan administration's policy toward Nicaragua and Central America?

[Otero] President Reagan wants to see the problems of Latin America through Nicaragua. It would appear that President Reagan's foreign policy has been Nicaraguanized. As the government of Mr Reagan sees it, the problem of Latin America is centered in Nicaragua. His government does not understand that there is a process of historic changes going on in Latin America, that this is an awakening from the economic crisis that the world is enduring.

We believe that the problems of Nicaragua and Peru are part of this situation in Latin America, which is beginning to wake up to this crisis the world is enduring. Latin America is struggling for a historic resettlement, to gain a just position in the framework of the nations of the world.

[Reporter] What is your country's official position on the Latin American foreign debt?

[Otero] We believe that Latin America is going to comply with its commitments and that we must pay our foreign debt, but we also believe that we must first be responsible to our people. We believe that our first responsibility is with the people and that it is impossible to pay the foreign debt without a reactivation of Latin American economies.

It is impossible to pay it under the conditions demanded by the IMF and the pressure organizations of imperialism. We must Latin Americanize the foreign debt system.

[Reporter] How does your government view the Contadora Group?

[Otero] This is a potential political solution to the Central American problem. There cannot be a military solution. We believe in a political agreement and solution. The Contadora Group is an effort in that direction. We support all the Contadora Group's efforts because they are positive. We believe that is a viable road toward solving the problem of Nicaragua and Central America.

[Reporter] As a member of APRA, how do you view the U.S. military stance toward Nicaragua?

[Otero] We reject it, and we condemn it. We, as APRA militants, as Peruvians, and as Latin Americans, condemn interventionism in a Latin American country by any power. We do not believe that intervention or the threat of intervention is the way to deal with people. We don't accept that. We don't think that is the way. Our position is very clear: We condemn and reject U.S. intervention in Nicaragua or any other nation. We have greeted the Nicaraguan revolution as a decision of the Nicaraguan people to secure and consolidate their territorial, political, and economic sovereignty. We believe that the Sandinist revolution has taken an important, historic step toward the conditions of sovereignty for which General Sandino struggled some decades ago.

[Reporter] What is your post, Dr Otero?

[Otero] I am an adviser to the president-elect of the Republic.

[Reporter] This has been Dr Hugo Otero, speaking on behalf of APRA, of Peru. [end recording]

#### RAMIREZ HOLDS PRESS CONFERENCE IN LIMA

PY300016 Madrid EFE in Spanish 2319 GMT 29 Jul 85

[Text] Lima, 29 Jul (EFE) — Nicaraguan Vice President Sergio Ramirez today proposed a meeting with Costa Rica on 10 August to discuss a reduction in the tension that exists along the border between the two countries.

During a press conference in Lima, Ramirez said that he had talked with Colombian President Belisario Betancur and Panamanian President Nicolas Ardito Barletta about this and he hopes that the Contadora Group will support Nicaragua in achieving this meeting. Ramirez reiterated that his government's desire is that a security zone be established on the border under the control of third party countries to prevent confrontations.

Regarding the attacks that come from Honduras, Ramirez stated that he is convinced that they are part of a project that has a great scope and that its final objective is an invasion of Nicaragua.

The Sandinist leader also said that he is fully satisfied with the support that Alan Garcia, the new Peruvian president, has given to Nicaragua and with the peace-seeking negotiations of the Contadora Group, stressing that the new Peruvian Government and Nicaragua agree on many matters.

Garcia, in his inaugural speech, has proposed a front of Latin American countries in order to support the Contadora Group, because Latin American sovereignty is fighting for its life in Central America and Nicaragua.

Returns, Departs for Cuba

PA301915 Managua Domestic Service in Spanish 1804 GMT 30 Jul 85

[Report by Alfonso Amela Sanchez from the Augusto Cesar Sandino Airport in Managua -- live]

[Text] President Daniel Ortega Saavedra has seen off the delegation that will participate in the talks on the Latin American foreign debt in Cuba. The Nicaraguan delegation is led by Vice President Sergio Ramirez Mercado who is accompanied by Commander of the Revolution Jaime Wheelock Roman, agricultural development and agrarian reform minister, and Commander of the Revolution Henry Ruiz, foreign cooperation minister. Here are the remarks by Vice President Ramirez Mercado upon his arrival from Peru, where he attended the inauguration of President Alan Garcia and on his departure for Cuba.

[Begin recording] [Ramirez] Nicaragua will make a statement during the conference. The mission that also includes Commander Jaime Wheelock, Commander Henry Ruiz, and other government delegates will draft the statement to be presented at the conference. Nicaragua's participation in the conference is a demonstration of its interest in foreign debt problem that affects Nicaragua and the entire continent. This topic was discussed during the summit of rulers and representatives of governments in Lima and was included in the Lima declaration that was signed by all of the Latin American governments and that clearly focused on the foreign debt problem. We will resume those positions in Havana.

[Question] Peruvian President Alan Garcia said that a new course has been opened in Latin America. What is your opinion?

[Ramirez] I think the most important result was a joint declaration by Uruguay, Argentina, Brazil, and Peru that will be published today and that creates a support mechanism for the Contadora Group and its specific initiatives. I think this is a great advance because it shows that Latin America supports the peace agreements in Central America. In another sense, President Alan Garcia's inauguration speech, which mentions the need for a peace agreement in Central America and expresses support for Nicaragua's sovereignty, is part of that new Latin American effort.

[Question indistinct]

[Ramirez] Well, Peru has taken the very courageous measure of confronting its foreign debt problem by taking into account the interests of the Peruvian people and Peru's sovereignty. We wish President Garcia success in the policy that reflects a new Latin American (?position).

[Question] During your meeting with Latin American rulers, did you discuss Nicaragua's position on (?setting) a date for a meeting between Nicaragua and Costa Rica?

[Ramirez] The deputy foreign ministers of the Contadora Group will visit the Central American countries next weekend, and we will discuss the date then. [end recording]

As we said earlier, Ramirez Mercado was accompanied by Commanders of the Revolution Wheelock and Ruiz. They were seen off at the airport by President Daniel Ortega Saavedra, and Commanders of the Revolution Bayardo Arce and Humberto Ortega.

#### U.S. CHARGES ON TERRORISM TO BE REBUTTED

PA271800 Managua Radio Sandino in Spanish 1200 GMT 26 Jul 85

[Text] Nicaragua will state its position at the United Nations in view of the Reagan administration's false charges that Nicaragua promotes terrorism in Central America. To this end the Nonaligned Movement Coordinating Bureau has convoked an urgent meeting today, to analyze the recent U.S. threats and charges against Nicaragua. Here is a statement by Julio Icaza, the Nicaraguan ambassador to the United Nations, directly from New York.

[Begin recording] The president of the Nonaligned Movement Coordinating Bureau has convoked an urgent meeting that will take place today at 2000, to analyze the grave situation as a result of the U.S. Government's recent threats and false charges against Nicaragua. We intend to present a detailed report at this meeting on the recent events in Central America, stressing the highly dangerous situation generated by the formal note delivered to our government by the U.S. Embassy in Managua. We believe that under the current circumstances, any pretext could be used by the U.S. Government to unleash military actions against our people and government. These military actions would be the prelude of a direct intervention in our country, which has been the dream of the current U.S. Government from the beginning.

In this manner, our government wants to alert the international community about the dangers posed by this situation. We also intend to clearly state our position regarding those false accusations, and of course, we expect to get a reaction consonant with the graveness of the situation from the Nonaligned Movement Coordinating Bureau.  
[end recording]

Ambassador Icaza also stressed that the Contadora Group's efforts to find a peaceful solution for Central America have received broad support at the United Nations.

[Begin recording] The Panamanian Embassy has distributed the Contadora Group's declaration issued at the conclusion of its recent meeting as an official document. I can say that through the informal talks I have had with representatives from various countries and regions in the world, the communique has been seen as a great hope, as it mentions highly positive aspects. The fact that the document urges the U.S. Government to resume its bilateral talks with Nicaragua; the establishment of a deadline for the first round of talks with Costa Rica, in order to arrive at a durable and stable solution for the border problems, are highly positive elements in that communique and as I said, they have been valued as such by representatives from various countries.  
[end recording]

#### FSLN OFFICIAL ON U.S. SUPPORT FOR CONTRA TALKS

PA280045 Managua Radio Sandino in Spanish 1200 GMT 26 Jul 85

["Analysis of Misinformation" feature by Onofre Guevara, an FSLN delegate in the State Council]

[Text] Like everything that goes against the truth, misinformation easily exhausts a topic or propaganda focal point and immediately thereafter moves on to use a new focal point that will also become passe.

A few days before 19 July, and exactly 5 days after that date, the focal point of the misinformation's attacks was the ceremony commemorating the sixth anniversary [of the revolution]. Of course, not to report on the preparations, or the actual celebrations, but first, to try to drive the masses away, and later to deny that the massive participation in the 19 July ceremony took place.

This topic was exhausted, since the participation of more than 500,000 people in the ceremony was undeniable, and because the worn-out topics must be changed every now and then. Therefore, the misinformation has fully concentrated its efforts on another propaganda focal point. The main issue now is the widely publicized dialogue with the guards [former Somoquist guards], demanded by the rightist politicians and a few disoriented groups that are supposedly leftists.

Here we can see the role of misinformation as a mechanism for issue renovation, but with the intention of remaining more or less up to date in relation to a specific situation, and as a director of political activities part of its speciality, and in the second case, it fills in for lack of ability of political parties. Nonetheless, there is no separation, but coherence between the two aspects, with the sole purpose of maintaining the misinformation with political objectives contrary to the revolution and therefore of benefit to its enemies.

The demand for dialogue has been constant among the rightist politicians, and has been reflected in their press organ. However, they are now trying to make it look like a popular issue by encouraging people who are well identified with them to declare themselves fervent supporters of the dialogue, but taking special care not to mention the guards, with whom they really want the talks to be held.

Why is the subject brought up now? Because the Contadora Group has agreed with Nicaragua in the sense that there will be no peace unless the United States is forced to hold talks with Nicaragua, since the United States is the one promoting war against our country. If the United States did not give financial and political support to the counterrevolutionary groups, there would be no counterrevolutionary activity. The Contadora Group acknowledged this Nicaraguan thesis and recommended resumption of talks in Manzanillo, Mexico.

Contrary to this, the U.S. thesis, which is echoed by the internal rightists, is that Nicaragua should hold talks with the guards to achieve peace and what they call national conciliation.

In order to not be out of position because of the Contadora agreement, the misinformers have again taken up the subject of dialogue with the rightists and the guards, in an attempt to reduce importance of the Contadora agreement and, at the same time, protect the United States. In this example, we clearly see that misinformation is fundamental for imperialism and its local agents' plans in the political field. It is even more important than the activities of the political parties themselves. It serves imperialism's purposes better, because it tries to divert attention a dialogue that would not bring peace to Nicaragua, but which the United States wants, in order to accomplish the surrender of the revolution to the U.S. mercenaries. At the same time, the misinformers sabotage the agreement that commits the United States to negotiate peace with Nicaragua, in other words, to stop its attacks.

To impress the public, the reactionary press hypocritically has said that the people are thirsty for dialogue, but has refused to condemn the thirst for blood of the mercenaries, who are financed by Reagan to kill and hold talks in his name.

CLASHES NEAR ESTELI KILL 4 CONTRAS, 29 EPS MEMBERS

PA302340 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 30 Jul 85

[Text] Early this morning, a number of counterrevolutionaries tried to destroy the El Telar Bridge, 9 km from Esteli. (?Several) explosive charges went off but caused no serious damage. Later this morning, traffic on the bridge was normal again. In March 1982, a similar attack executed by a CIA commando unit partially destroyed the bridges on the Negro and Coco Rivers. An Interior Ministry communique has reported that several clashes occurred in Region 1 between 26 and 29 July. On 28 July, mercenaries ambushed a Sandinist People's Army [EPS] truck at Las Palmitas, 3 km from Esteli. During the action, the Somozists suffered four casualties. The dead include the counterrevolutionary leader "El Camaron." The report also said that 29 EPS members were murdered during the attack. At Santa Isabel, Interior Ministry forces ambushed a counterrevolutionary contingent. The communique added that Somozists who operate in El Regadio, Aplarceres, San Fernando, and El Portillo Hill were attacked at 0600 today.

TWENTY-THREE CONTRAS SURRENDER TO AUTHORITIES

PA301716 Managua BARRICADA in Spanish 29 Jul 85 p 1

[Text] Quilali -- A total of 23 counterrevolutionaries deserted the ranks of the CIA terrorist group known as the Nicaraguan Democratic Forces and presented themselves at the State Security's offices here yesterday. An official spokesman of the Ministry of the Interior said that the former contras were members of the so-called "Nicarao, Segovia, and Diriangen regional commandos." The following are the names of the deserters: Feliciano Matey Hernandez, Crecencio Gutierrez Guerrero, Lucio Melgara Gutierrez, Santos Gutierrez Guerrero, Guadalupe Cruz Velasquez (Male), and Aurelio Gutierrez Matey from the "Nicarao Regional Commando"; Carlos Garcia Alanis, Manuel Herrera Herrera, Tomas Palacios Lumbi, Santos Gonzalez Palacios, Rolando Expinoza Montiel, Noel Maldonado Ruiz, Santos Zeledon Salgado, Pedro Maldonado Palma, Francisco Zeledon Paguaga, Mario Gonzalez Siles, Francisco Caballero Cuadra, and Rafael Ramos Rugama of the "Segovia Regional Commando"; and Adan Maldonado Cornejo, Segundo Paguago Paz, Bernardino Gonzalez Munoz, Francisco Montenegro Rodriguez, and Jose Chavarria Ubeda, of the "Diriangen Regional Commando."

BRIEFS

AMBASSADOR TO CUBA -- Havana -- Luis Enrique Figueroa Aguilar, new Nicaraguan ambassador to Cuba, today presented his credentials to Carlos Rafael Rodriguez, vice president of the Cuban Council of State. [Summary] [Managua Domestic Service in Spanish 0300 GMT 24 Jul 85 PA]

AMBASSADORS TO BRAZIL, UNESCO -- The Brazilian Government has received credentials from Jorge Jenkins Molieri, new Nicaraguan ambassador there, the Foreign Ministry has confirmed. Jenkins, who until the time of his appointment served as Nicaraguan ambassador to Sweden, replaces Ernesto Gutierrez, who has been appointed head of the Nicaraguan mission at UNESCO in Paris, France. [Text] [Managua Radio Sandino in Spanish 1750 GMT 26 Jul 85 PA]

LATIN AMERICA-CARIBBEAN DEBT CONFERENCE OPENS

## Persons Attending

PA282025 [Editorial Report] Cuban media reports on persons attending the Continental Dialogue on the Latin American-Caribbean Foreign Debt being held in Havana include the following:

Havana International Service in Spanish at 1600 GMT on 28 July:

"Cuban Vice President Carlos Rafael Rodriguez has received former Bolivian President Walter Guevara Arce at Havana's Jose Marti International Airport." "A Venezuelan delegation composed of 82 personalities of all political tendencies has arrived in our country. Delegations from Chile, Uruguay, Paraguay, and Argentina have also arrived.

"Others who have confirmed that they will attend are Jaime Aspiazu, national director of the Alfarist Radical Front and former candidate for the Ecuadoran presidency; Pablo Ramos, rector of Bolivia's San Andres University; and seven Costa Rican deputies."

Havana International Service in Spanish at 1800 GMT on 28 July:

"Among the personalities who have already arrived are Walter Guevara Arce, former Bolivian president; Rodney Arismendi, secretary general of the Communist Party of Uruguay; and Oscar Lopez Balestra, first vice president of the Chamber of Deputies of Uruguay. Cuban Vice President Carlos Rafael Rodriguez welcomed them to our country. Arismendi told newsmen that the foreign debt is a way for imperialism and the transnational banks to exert pressure on our people.

"Seregni said that to be in Cuba at this moment is to be conscientious of the foreign debt problem and interested in finding a joint solution. Meanwhile, Lopez Balestra, a leader of the National Party, urged Latin America to be economically independent and added that definite agreements leading to our peoples' prosperity will be reached at this meeting."

Havana Television Service in Spanish at 1100 GMT on 29 July:

Latin American and Caribbean personalities continue to arrive at Jose Marti International Airport to participate in the continental dialogue. "Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, along with other Cuban leaders, met the distinguished ministers."

Havana International Service in Spanish at 1600 GMT on 29 July:

"In the past few hours, about 160 political, social, trade union, science, intellectual, religious, and former military personalities, arrived in Havana to participate in the continental dialogue convoked by Cuban President Fidel Castro. Thirty-nine Colombian, 31 Ecuadoran, 44 Bolivian, 26 Dominican, 12 Venezuelan, 22 Costa Rican, 15 Panamanian, and 2 Brazilian representatives are in Havana already."

"The most important" of these personalities include Rodney Arismendi, secretary general of the Communist Party of Uruguay. "Recent arrivals are Jesus Farias, secretary general of the Communist Party of Venezuela and Gabriel Garcia Marquez, outstanding Colombian writer and winner of the Nobel literature award."

"The large Bolivian delegation includes Planning and Coordination Minister Freddy Justiniano and Integration Minister Percy Fernandez, who have been instructed by President Hernan Siles Zuazo to explain why Bolivia has not paid its debt to international private banks. The Bolivian Labor Federation -- which has convoked a Latin American meeting to be held shortly in La Paz to discuss the foreign debt -- will send a large trade union delegation to participate in the Havana continental dialogue."

Havana Television Service in Spanish at 1100 GMT on 30 July:

"Nicaraguan Vice President Sergio Ramirez Mercado will head the delegation attending the Latin American conference on the foreign debt which begins today in Cuba. Also attending will be opposition party leaders, private business representatives, and Nicaraguan Government officials."

Havana Television Service in Spanish at 1700 GMT on 30 July:

"At Jose Marti International Airport to meet delegates were Communist Party of Cuba Politburo members Carlos Rafael Rodriguez and Armando Hart Davalos, alternate Politburo member Jesus Montane Oropesa, and Central Committee member and Chief of the American Department Manuel Pineiro.

"Among the personalities arriving from Argentina are: Athos Fava, Oscar Alende, Augusto Conte, and (Eduardo Seti) from the Communist, Intransigent, Christian Democratic, and Justicialist Liberation Front parties. The delegates from Chile are: (Radomiro Tomi), (Oscar Garreton), (Julian Gain), and (Jaime Gasmuri), of the Chirstian Democratic Party, United Popular Action Movement, and Worker-Peasant United Popular Action Movement.

"In addition, a group of 16 Uruguayan priests and nuns along with leaders from the Uruguayan front, (Arnaldo Valdovino), lawyer and political leader, and other personalities also arrived."

#### Castro Speech

FL310141 Havana Domestic Service in Spanish 0007 GMT 31 Jul 85

[Speech by President Fidel Castro at opening session of the Continental Dialogue on the Latin American-Caribbean Foreign Debt being held at Havana's Palace of Conventions -- live]

[Text] You have brought us rain which we have not had lately, so thank you. [applause] I am not going to make a speech on the topic [of the conference]. As explained in the invitations, this meeting would have no prior document, so if there is no prior document, there can be no prior speech on the topic.

So I would limit myself to very briefly, first, express our most profound gratitude on behalf of our people for your presence at this meeting. Second, I would like to explain the general rules governing this meeting. A set of rules has been prepared. It is impossible to function without rules; besides, the jurists attending the meeting would not accept that. The rules are very simple. There are eight points.

1. The meeting will be conducted only in plenary sessions. Perhaps some of you think that too many speeches will be boring, but experience has shown -- from recent conferences and meetings -- that even though many persons make speeches, because they represent many countries and many different situations, they always say something of great interest.

2. All participants who wish to speak may do so. Permission to speak will be requested by filling out the form the floor personnel will supply the participants. You are allowed to speak but journalists, diplomats, and persons listening to the ceremony on television and radio do not have that right.

3. Each session will be chaired by a member of the presiding table who will grant the floor to the participants and make sure rules are observed.
4. In order to make it possible for the greatest number of participants to speak, the time allotted for each speech will not exceed 12 minutes. It is a difficult rule, but it is essential. I have been told that some economists have brought with them some theses. I believe that in such cases, if someone prepared a long speech, it can be printed. We have the means to print them in those cases in order not to have them wasted. Later, the speeches can be distributed to the participants.
5. In addition to the session following the opening ceremony on 30 July, there will be sessions in the morning from 0900 to 1300 and in the afternoon from 1500 to 1900. Each session will have a 30 minute recess. This is very important, because experience has shown that recesses are usually extended to 35, 40 and 45 minutes. We are asking you all to please comply with this rule. I trust you will behave accordingly, much better than the heads of state. We have had heads of state summits here and they are the worst behaved. If it becomes necessary, the afternoon sessions will be extended.
6. The participants should wear in a visible place the identification accrediting them.
7. The official languages of the meeting are Spanish, English, French, and Portuguese.
8. In order to facilitate simultaneous translations, those wishing to make speeches, if they so desire, may deliver their speeches, written in one of the official languages, to the office of translations. This can be done through the floor personnel. However, it is not necessary to have written speeches.

We are not seeking a final document; even making a report is not an easy task. We observed that in a recent meeting with many fewer participants. When the time of the report came around, there were those who worried about the commas, periods, each word, each point, and this is not easy. But I believe we can solve this in a better way.

All the speeches will be published in a press supplement on a daily basis the day following each session to the extent that the deadline for the edition will permit it. The journalists present here know about those problems. But what is not published the following day will be published on a subsequent day. In addition, we have a plan to publish a book with the text of all speeches. I believe that would be the best report that can be made of the meeting.

Also, our people will follow with great interest what takes place in this meeting on live radio and television as long as it lasts. Radio Havana Cuba will also carry it to the rest of Latin America and the Caribbean, the entire world, including the United States with six shortwave frequencies. In addition, we are providing the services needed to Latin American radio stations that may wish to carry all of it or part of it via satellite.

Present are more than 200 journalists who came here to report the meeting and several other dozens of journalists who are participants in the meeting, which add up to more than 300 foreign journalists, so news of the meeting will be widely disseminated.

You can understand the difficulties involved in a meeting as big as this, so if there are any problems in the organization, please excuse us. First, we had to change the configuration of the hall. We would have liked to have more comfortable chairs for everybody. The hall normally has tables, such as these, and easy chairs. At the beginning we estimated there would be about 600 or 700 persons. Taking into consideration persons who would sit at the presiding table, we estimated there were enough seats. But, at the last minute it was impossible to have it that way, which would have been, I repeat, much more comfortable. We were forced to remove the tables and easy chairs, and use hard chairs. I hope you can endure them.

Also, initially we had the idea of rotating the presidency as we did at the labor union meeting. However, we arrived at the conclusion that it was impossible, that the rotation of the presidency in each session was going to be a disorganizing and chaotic element, therefore, we needed to solve the problem of having a permanent presidency.

The suggestion we are making is to have a permanent presidency in which former presidents, former chiefs of governments, former vice presidents, and some present vice presidents are in the front row. We have at least one Nobel prize winner, Garcia Marquez, and [applause] another Nobel prize winner, Perez Esquivel, who will arrive tonight. [applause] We are really very pleased by the presence in the presidency's first row of Comrade Hortensia Bussi, widow of Salvador Allende. [applause] Also among the presidency members are the 115 chiefs of political parties and organizations. Also Latin American laborers, Latin American labor unions, students, women, scientists, economists, academics, and intellectuals are represented. It was not easy, but somehow we had to make some proposals among so many personalities. So this is how the presidency is established.

It is impossible to estimate the number of people who want to speak, and we are not going to discourage anyone from doing so. At the labor union meeting -- I mention it because it is a very recent precedent -- out of approximately 300 participants, 80 people spoke. I beg you forget mathematics when I tell you that around 1,120 foreign guests will be or are present at this time. The Cuban delegation must be added to this figure, plus others who should arrive tomorrow. Some distinguished personalities such as former President Juan Bosch and Michael Manley, will arrive tomorrow. We will amount to around 1,200 participants, so it is better not to figure out how many speakers we will have.

However, we should not be afraid of that. If it is necessary, the daily sessions may be extended, although I know it would be a problem for many. Nevertheless, the premises will be followed, that everyone who wants to speak can do so, that his remarks be registered, that it be broadcasted, and the most I can do is to promise you that I will be here as long as there is a speaker, even if that person and I are the only ones left in this room. [applause] It is the only way to keep that promise within the relative short period of time and space we have. Tonight, some persons have been invited to speak because we have taken into account the case of some people who have to leave tomorrow, such as some Bolivian representatives who have to elect their president in the next few days. This is why we are going to let them speak. Also we will listen to some volunteer speakers. Actually, we have been asking for volunteer speakers since the mechanism is not in effect yet.

Finally, I have the conviction that this is the broadest and most pluralistic meeting that has ever been held in our hemisphere. I do not remember another one, maybe there has been another one, but I do not recall it. The problem that motivates it is the most serious that has ever existed. We hope that the democratic spirit and absolute respect to the opinion of others will make us feel proud of this meeting. We hope you agree with this regulation and this presidency, and if you do agree we can use the traditional method of voting by raising hands. Those who agree? [applause] I believe there is absolute consensus. This first session will be presided over by former President Walter Guevara Arce, who will also be the first person to speak at this podium. Therefore, I declare the meeting inaugurated. Thank you very much. [applause]

U.S. ECONOMY 'AGGRAVATES' ECONOMIC CRISIS

FL291613 Havana Television Service in Spanish 1139 GMT 29 Jul 85

[Commentary by Roberto Alvarez Quinonez]

[Excerpts] In the last few days we have been receiving from news agencies and Western press agencies various items saying that the U.S. economy is coming to a standstill. This standstill is being reflected by the U.S. press. This is something that interests not only U.S. citizens or the governments of the Western industrialized countries, but also the Third World. Specifically, Latin America is very interested in this news because a standstill in the U.S. economy could have a short-term consequence of reducing U.S. foreign purchases, that is, a reduction of the greatest import market in the world, which is the United States, and a renewal of U.S. protectionism, which is already very high but could be intensified.

A U.S. economic standstill could cause the value of the dollar to go down because there would be less confidence in U.S. currency, less confidence in the economic stability of the United States. A decrease in the value of the dollar might cause foreign capital deposited in the United States to be withdrawn. This aggravates the problem. All of this can be translated into a reduction of investments in the United States, more unemployment, and finally economic recession.

This news is being announced prior to the beginning, tomorrow in Havana, of a continental dialogue called by our commander in chief. Representatives from all Latin American countries and tendencies will participate. It has been called the most democratic, extensive meeting in Latin America on this problem of the economic crisis and, above all, the overwhelming foreign debt of our countries.

This news aggravates the panorama being presented in the continental dialogue. It affects the Third World because Latin America will not have a chance to export more, to have better prices, and there will be no reduction of protectionist barriers. A recession in the United States causes repercussions in the economy of the whole world, including the underdeveloped countries as well as the Western industrialized countries.

We specifically refer to the countries burdened and anguished by their foreign debt. For this reason, this economic news is being followed closely by all observers, by all the Third World economists.

A crisis, a recession, or a standstill in the United States aggravates the drama of the foreign debt of our countries, and the drama of the economic crisis.

AREA LEADERS HAIL CASTRO FOREIGN DEBT INITIATIVE

PA292000 Havana International Service in Spanish 1600 GMT 29 Jul 85

[Text] Uruguayan President Julio Maria Sanguinetti publicly praised the initiative by Cuban president Fidel Castro to promote a continental dialogue on the foreign debt problem. At a press conference held in Lima, where he attended the inauguration of Peru's new President Alan Garcia, Sanguinetti stated that under current conditions the Latin American countries cannot continue paying the interest on the debt if their economies do not grow.

On another issue, Chilean Orlando Millas, a former deputy and minister during the Salvador Allende government, told PRENSA LATINA that Cuban President Castro's views on the foreign debt have the extraordinary force of something that is objective, real, and based on irrefutable facts and figures. Millas added that the likelihood of a debtors strike is the current objective tendency, inasmuch as there is no real capacity to pay. He stressed the importance of Fidel Castro's suggestion that industrialized nations absorb the foreign debt through a reduction in their military expenditures. Meanwhile, it was learned in San Jose that approximately 50 Costa Rican personalities will travel to Havana today to attend the continental dialogue on the foreign debt, which begins on Tuesday in the Cuban capital.

#### LABOR, PEASANT LEADERS DISCUSS FOREIGN DEBT

FL301441 Havana Television Service in Spanish 1100 GMT 30 Jul 85

[Text] Presided over by Jose Ramirez Cruz, alternate Politburo member and president of the National Association of Small Farmers, an important exchange of opinions was held in Santiago between agricultural organization labor leaders and peasants from several Latin American and Caribbean countries who attended the trade union conference on the foreign debt recently held in Havana.

#### REGIONAL JOURNALISTS MEETING ON FOREIGN DEBT ENDS

FL301955 Havana Domestic Service in Spanish 1600 GMT 30 Jul 85

[Text] The Fifth Latin American and Caribbean Journalists Seminar on Journalism and Latin American and Caribbean Countries Foreign Debt ended yesterday in Havana with the approval of a final declaration in which the delegates opposed the foreign debt payment. Hosted by the Union of Cuban Journalists, in coordination with the International Organization of Journalists and the Federation of Latin American Journalists, this seminar began on 22 July at the Jose Marti Latin American Journalist Institute in Havana and Guantanamo with the participation of 25 representatives of journalists organization from 16 area countries, with the U.S. Third World Journalist Union, among them.

#### DELEGATION RETURNS FROM GARCIA'S INAUGURATION

FL302158 Havana Domestic Service in Spanish 2046 GMT 30 Jul 85

[Text] Jose Ramon Fernandez, Cuba's vice president of the Councils of Ministers and education minister, today returned from Peru after attending President Alan Garcia's inauguration. Before leaving, Fernandez met privately with the new Peruvian head of state at the Government Palace. The vice president of the Council of Ministers also talked with Argentina's Raul Alfonsin, Colombia's Belisario Betancur, Bolivia's Hernan Siles Zuazo, and other personalities attending the presidential inauguration in Peru. Jose Ramon Fernandez told the press in Lima that during his short stay in Peru, he discussed bilateral matters with various presidents.

#### VILMA ESPIN RETURNS FROM WOMEN'S CONFERENCE

FL291325 Havana Television Service in Spanish 1100 GMT 29 Jul 85

[Text] The Cuban governmental delegation headed by Vilma Espin, member of the Council of State and president of the Federation of Cuban Women, FMC, who participated in the UN women's conference marking the Decade for Women, which took place in Nairobi, returned last night to Cuba. Espin was met by Army General Raul Castro Ruz, second secretary of the Communist Party of Cuba.

USSR SETS UNILATERAL NUCLEAR TEST MORATORIUM

FL301923 Havana Domestic Service in Spanish 1600 GMT 30 Jul 85

[Text] Helsinki -- The Soviet Union has said that the U.S. rejection to a nuclear test moratorium is due to a lack of political will. The CPSU secretary general, Mikhail Gorbachev, last night announced a unilateral nuclear test moratorium from 6 August until 1 January of 1986 and invited the United States to adopt a similar measure. Washington reacted immediately with the same argument it has used before, alleging that it is Soviet propaganda because the moratorium is unverifiable.

USSR Foreign Affairs Ministry spokesman, Vladimir Lomeyko, who is part of the Soviet delegation to the Helsinki meeting of the countries who signed the final Helsinki Document, rejected the remarks, indicating that this shows a lack of political will and that the moratorium is perfectly verifiable through technical means.

HAITI'S CATHOLIC CHURCH ANNOUNCES HUNGER STRIKE

FL301525 Havana Domestic Service in Spanish 1400 GMT 30 Jul 85

[Text] Haiti's Catholic Church has announced there will be a national hunger strike next Friday to protest the assassination of a priest and the expulsion of three others, all members of a Belgian religious order. Father (Albert Desmed), 77, died 24 July in Port au Prince after being attacked the previous night. His funeral, planned for today, did not take place because the regime took the body to perform an autopsy without authorization from the congregation he belonged to. The three priests were expelled for meddling in the country's domestic affairs. According to observers, tension is escalating in relations between the church and the Haitian regime.

'OUR AMERICA' HAILS NICARAGUAN REVOLUTION

PA292351 Havana International Service in Spanish 0000 GMT 29 Jul 85

["Our America" commentary]

[Text] Last 19 July, the Nicaraguan people celebrated the sixth anniversary of the victory of their revolution. In that short period of time, Nicaragua has experienced radical changes in the economy, health, and education sectors, and this has placed that Central American nation in a leading position among the Latin American and Caribbean countries. The enemies of the Sandinist revolution have tried to distort its humanitarian and peaceful essence, and in that respect, they have carried out a publicity campaign aimed at presenting the new Nicaragua as a totalitarian nation and a violator of human rights. However, there is nothing farther from reality. Those who suffered under the Somozist dictatorship for nearly 40 years today can confirm the enormous difference between the past and the present.

In only 6 years of revolution, 500,000 Nicaraguans have learned to read and write, some 70,000 families have become owners of 1.5 million hectares of land, and the citizens' rights are respected. These elements alone would suffice to show the superiority of the Sandinist political system over Somozism, which the United States intends to impose on that nation again.

But there is still more. Massive public health campaigns have eradicated many diseases from which hundreds used to die because of a lack of medical attention. The infant mortality rate has been drastically reduced. Likewise, the Sandinist government has created mechanism to restore the deteriorated national economy, is carrying out housing construction programs, and has taken the first steps in the nation's industrial development. The program of pluralism, mixed economy, and democracy, proclaimed officially by the FSLN, has been respected in every respect, and the social sectors in the country enjoy equal rights.

Last November, the revolutionary government held general elections, which have been described as the cleanest, most democratic, and most honest in the history of Nicaragua. All political parties had the opportunity to register their candidates, and in those elections, the people voted in favor of the Sandinist front, demonstrating their decision to continue on the path of peace, democracy, and economic development.

However, the U.S. Government is bent on frustrating the Sandinist government plans to benefit its people, and determined to erase the Sandinist revolution from the Central American region. In that respect, it has set numerous political, diplomatic, and military plans in motion, and has armed over 10,000 Somozist mercenaries, who are operating from Costa Rica and Honduras. Already, the counterrevolution has claimed the lives of nearly 8,000 civilians in Nicaragua and has resulted in the loss of millions of dollars worth of the nation's economic resources.

Nevertheless, nothing has been able to stop the progress of the Sandinist revolution. On the contrary, the attacks by the counterrevolutionary groups financed by the United States have served to consolidate the process of radical socioeconomic changes and to prepare the people for the nation's defense.

As a last resort, the United States now speaks of invading Nicaragua militarily, that is, when all its dirty plans of destabilization and political and economic aggression have failed. The Yankee imperialists now intend to smash with their warships and planes the victorious example of the Sandinist revolution. However, should the U.S. invaders carry out such a reckless plan, they will be taught an exemplary lesson similar to that taught by the Vietnamese in the decade of the sixties. In other words, they shall be embarrassingly defeated.

#### PUERTO RICO SAID POSSIBLE 'NUCLEAR SPRINGBOARD'

PA301745 Havana International Service in Spanish 2310 GMT 29 Jul 85

["Our America" commentary]

[Text] Although political analysts in Puerto Rico disagree about an imminent change in the status of the so-called free associated state, a new element of speculation was added to the daily discussion of the topic when it was mentioned that the island might become a federation republic in relation to the United States. This conjecture was mentioned by a local commentator in the context of an alleged concession of autonomy that the United States would grant Puerto Rico in 1992 on the occasion of the 500th anniversary of the discovery of America. The idea is based on an attitude that the United States has described as one of goodwill toward the Hispanic-American community, and would be the object of an analysis in a future debate in the U.S. Congress.

Since February a dangerous element has been added to Puerto Rico's already dependent situation: the possibility of becoming a nuclear springboard for the U.S. Government and its warmongering plans. On that occasion, THE NEW YORK TIMES disclosed that the United States had plans to deploy and store nuclear arms in several countries, including Puerto Rico. Shortly afterward, a delegation of the Puerto Rican Bar Association reported to the United Nations the stockpiling of nuclear armaments in the military installations at Vieques and Roosevelt Roads. Despite this, the United States did not hesitate to continue its plans which, in addition to an increase in the U.S. military presence on the island, involve another action whose seriousness can have unpredictable consequences: the stockpiling of nuclear weapons in a Latin American nation. This is a violation of the Tlatelolco Treaty that was signed by Washington and that prohibits the deployment of nuclear weapons in the Latin American region.

Puerto Rico is already one of the most important U.S. warmongering enclaves in the Caribbean. One must ask: What happens if the island becomes a federated republic? Among the documents presented by the Puerto Rican Bar Association to the United Nations is a detailed analysis of the contingency plans that the U.S. Pentagon plans to implement on the Caribbean island. One of them is the plan to operate an antisubmarine nuclear warfare center from the Roosevelt Roads base. In addition, that base has the appropriate conditions for storing nuclear weapons. In the event of a nuclear war, it has also been chosen as an alternate command center for the submarines equipped with nuclear missiles that are stationed in the Atlantic. The Bar Association insisted it is possible that the military ships and planes that enter the island's jurisdictional waters, territory, and airspace are carrying nuclear weapons.

As was stated when this plan was discovered, the presence of nuclear weapons in Puerto Rico would first of all harm the Puerto Rican people who would become a direct target in a nuclear war. It would not be surprising if Puerto Rican Governor Rafael Hernandez Colon, who has always supported the U.S. policy in Central America and the Caribbean, also supports the United States in this new maneuver. Puerto Rico does not need to become a U.S. nuclear base or a federated republic. The only thing it wants is independence.

#### HAVANA SUGARCANE HARVEST DROP PREDICTED

FK292151 Havana Domestic Service in Spanish 1700 GMT 29 Jul 85

[Text] Due to the drought of the past few years, Havana Province will grind in the next harvest 25 percent less sugarcane than was processed in the 1983-84 campaign, when it rained substantially. The major shortfalls were recorded in the Gregorio Arlee Manalich, Martinez Prieto, and Amistad de los Pueblos agroindustrial complexes.

According to estimates, at the end of June the lack of rain had reduced the Gregorio Arlee Manalich yield by more than 13,000 arrobas per caballeria, which means that for the next harvest this sugar mill will produce almost half of the sugar produced at the Augusto Cesar Sandino sugar mill in Mariel.

The most critical situation in the province is in District 3 of Batabaon in the Martinez Prieto complex. Fifteen caballerias of sugarcane were destroyed because their sprouts died. Another 5 caballerias with grinding-size cane dried out. In the same area, 13-month spring sugarcane is barely 1.5 meters high with internodes half their normal size due to lack of development.

From January to June 1985, the mentioned district recorded 113 mm of rainfall. The average rainfall for that period is 680 mm. The yield per caballeria estimated for the end of these 6 months is 67,000 arrobas. If we compare this with the previous harvest, we would have a shortfall of 24,000 arrobas per surface units.

The Amistad de los Pueblos agroindustrial complex in Guines should make a serious effort in the coming harvest to achieve distinction. The long dry spell will reduce the direct production of white sugar by approximately 7,000 metric tons, according to preliminary calculations, if we compare sugarcane estimates by area to the 1984 results.

If lack of rain causes irreparable damage in the sugarcane plantations, another enemy, no less prejudicial, threatens to aggravate even more the already critical situation. We refer to the weeds observed in some sugarcane fields. The weeding of the fields, along with other emergency measures, is part of the Ministry of the Sugar Industry strategy in Havana Province to reduce the effects of the prolonged drought.

GUADELOUPESEPARATISTS UNCERTAIN ON STRIKE FOLLOW-UP

FL301915 Bridgetown CANA in English 1748 GMT 30 Jul 85

[Text] Pointe-a-Pitre, Guadeloupe, July 30, CANA-REUTER -- Guadeloupe independence supporters were uncertain today how to follow up their success in organising a six-day general strike on this French Caribbean island. All we can say is that this is a beginning of a new process, Roland Thesauros, a leader of the Popular Union for the Independence of Guadeloupe (UPLG), one of the island's two main independence movements, told a news conference.

The strike ended yesterday after a local appeals court ordered the conditional release of jailed independence activist Georges Faisans, who was in the 57th day of a hunger strike. The protest action was called by a coordinating committee of 20 pro-independence organisations in a rare show of united action to obtain Faisans' release.

We have emerged in just one week after 18 years of political divisions in the country, Polo Tomiche, a trade union representative on the committee, said. All these divisions cannot be overcome in a week.

Faisans was sentenced to three years in prison for wounding with a machete a white French teacher who had kicked one of his black Guadeloupian pupils.

Life returned to normal today in Pointe-a-Pitre where most shops opened for the first time in nearly a week, and previously deserted streets were once more clogged with traffic. Dozens of road blocks, thrown up by independence supporters during the strike, were removed yesterday within one hour of the court ruling.

The major question raised by the strike is the future of the Guadeloupe Communist Party (PCG), which has traditionally been the most powerful political force on the island. The PCG, which accepts Guadeloupe's present status as a French overseas department, remained conspicuously silent throughout the protest action.

The strike, which paralysed all economic activity, was mainly peaceful. Some clashes between police and protesters took place on Wednesday and Thursday, when a shopping centre on the outskirts of Pointe-a-Pitre was looted. About 550 riot police and paramilitary gendarmes were flown in from Paris to reinforce local security forces.

HAITIPRESIDENT DUVALIER SAYS REGIME 'VERY STABLE'

PA301251 Madrid EFE in Spanish 0115 GMT 30 Jul 85

[Text] Port au Prince, 29 Jul (EFE) -- During the commemoration of the militia's first victory in the defense of the government of his father Francois Duvalier, Jean-Claude Duvalier, Haitian president for life, asserted today that his regime is very stable. During his moderate speech, however, the Haitian head of government expressed some concern over the Catholic Church's opposition after the government expelled three Belgian priests from the country. Duvalier said calmly: The roots are manifold and run deep. Consequently, there will be no deviation. You know that your president can perform his duties.

Duvalier thanked the Haitian people for having supported him during the 22 July referendum in which he claimed 99.8 percent of all votes cast.

At no time during his speech did Duvalier directly allude to the decision by the seven Catholic bishops not to participate in the religious activities planned to commemorate the 26th anniversary of the militia's first victory. Catholic Church representatives announced that they will not participate in the next government commemorations. Duvalier expelled three Belgian priests from the country after the church described last week's referendum as fraudulent. Duvalier, dressed in a blue military uniform and accompanied by his wife and son, delivered a 30-minute speech from the National Palace.

#### JAMAICA

##### SEAGA CALLS ON U.S. TO CHECK PROTECTIONISM

FL261601 Bridgetown CANA in English 1949 GMT 26 Jul 85

[Text] Kingston, Jamaica, July 26, CANA -- Prime Minister Edward Seaga has called on the Reagan administration to take prompt steps to resolve the growing trend to protectionism within Congress, which he said is affecting the expansion of production in Jamaica and the Caribbean. According to a release from the state-owned national news agency, JAMPRESS, Seaga expressed his concern during discussions with U.S. Vice President George Bush in Washington yesterday. Seaga, who is wrapping up a two-week three nation tour, is in the U.S. capital for a meeting of the International Democratic Union (IDU), a grouping of conservative political parties. In his talks with Bush, Seaga cited legislation before Congress which he said threatens garment and ethanol imports. Garments, he said, is one of the industries that benefit the Caribbean region because of the level of skill available and relatively low investment cost.

##### SEAGA PROPOSES CARIBBEAN DEMOCRATIC UNION

FL301550 Bridgetown CANA in English 2223 GMT 29 Jul 85

[Text] Kingston, Jamaica, July 29 CANA -- Jamaica Prime Minister Edward Seaga has proposed the formation of a union of like-minded political parties in the Caribbean. According to a statement issued by the Jamaica Labour Party (JLP), Seaga made the proposal in Washington last week at a meeting of Caribbean and Latin American party leaders of the International Democratic Union (IDU). The IDU meeting, which was attended by conservative and moderate leaders, saw the ruling JLP formally joining the organisation. Seaga urged the formation of the Caribbean democratic union and said that during this month's Caribbean Community (Caricom) summit, six party leaders discussed the idea. Belize is the other Caricom member whose party, the United Democratic Party, is a member of the organisation.

#### ST LUCIA

##### COMPTON SAYS OECS-JAMAICA TRADE TO BE MINIMAL

FL301625 Bonaire Trans World Radio in English 1130 GMT 30 Jul 85

[Text] St Lucia's prime minister says member countries of the Organization of Eastern Caribbean States anticipate very little trade with Jamaica and Guyana due to currency problems. Prime Minister John Compton says: Jamaica is going to penetrate the eastern Caribbean market, but I don't see much reciprocity because of Jamaica's currency situation. Mr Compton said Eastern Caribbean states would have to sell their goods in Trinidad and Tobago and Barbados to make up for the loss in export income from previous trade with Jamaica and Guyana. The prime minister said Jamaica's ability to pay is the main problem.